

Company Registration No. 09023802 (England and Wales)



**ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Diocese of Middlesbrough  
Rt Rev Bishop T P Draine  
J C Fleming  
M Clarke  
Mgr. G Robinson  
K Duffy, Director of Schools

### Trustees

P A Fearnley ((Chair) Non-Foundation) \*  
L Dyas ((Vice Chair) Non-Foundation) \*  
C Cuthill (Foundation)  
J M Davidson (Foundation)\*  
A Ward (Foundation)  
Father W Massie (Foundation)  
T Davison (Non-Foundation) \*  
M Gallagher (Foundation)  
R Dex (Foundation)\*  
J Sargeant (Non-Foundation)  
K Duffy (Foundation)

\*Members of the Finance, Assets and Audit Committee

### Chief Executive Officer

G Fitzpatrick

### Accounting Officer

G Fitzpatrick

### Executive leadership team/senior management team

|  |   |
|--|---|
| Chief Executive Officer (Accounting Officer) | G Fitzpatrick                                     |
| Chief Operating Officer Primary              | K Siedle  |
| Chief Operating Officer Secondary            | D Walmsley (retired 31 <sup>st</sup> August 2020) |
| Head of School Secondary                     | D Perry   |
| Executive Head of Primary                    | M Ryan  |
| Director of School Improvement               | G Olsson  |
| Chief Financial Officer                      | S Teasdale  |

### Company registration number

09023802 (England and Wales)

### Principal and registered office

St Mary's College  
Cranbrook Avenue  
Hull  
HU6 7TN

### Academies operated

Endsleigh Holy Child Voluntary Catholic Academy  
St Mary Queen of Martyrs Voluntary Catholic Academy  
St Richard's Voluntary Catholic Academy  
St Vincent's Voluntary Catholic Academy  
St Charles' Voluntary Catholic Academy  
St Anthony's Voluntary Catholic Academy  
St Thomas More Voluntary Catholic Academy  
St Mary's College Voluntary Catholic Academy

### Location

Hull  
Hull  
Hull  
Hull  
Hull  
Hull  
Hull  
Hull

### Head of School

M Ryan  
A Mcintosh  
C Coldham  
P Donnelly  
K Seidle  
J Eley  
G Shaw  
D Perry

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **Independent Auditor**

RSM UK Audit LLP  
1st Floor  
Two Humber Quays  
Wellington Street West  
Hull  
HU1 2BN

### **Bankers**

Lloyds Bank  
Hull City Centre Branch  
Grand Buildings  
Jameson Street  
Hull  
HU1 3JX

### **Solicitors**

Rollits LLP  
Citadel House  
58 High Street  
Hull  
HU1 3JX

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates 7 primary academies and 1 secondary academy in Hull. Its academies have a combined pupil capacity of 3,966 (including Nursery and 6<sup>th</sup> Form) and had a roll of 3,913 in the school census on 05/10/2019.

St Cuthbert's Roman Catholic Academy Trust is for pupils aged 3 to 19, in the Diocese of Middlesbrough. The Academy Trust is the Admissions Authority and is responsible for determining the Admission Arrangements, Admissions and administering Independent Appeals. The ethos of St Cuthbert's is built on the traditions of the Roman Catholic Church. All parents applying for a place are asked to respect the ethos and its importance to the Academy Trust community. Applications must be made on the Local Authority Common Application Form. All forms must be returned by the closing date set by the Local Authority. Any applications received after the closing date will be accepted but considered only after those received by the closing date. Where there are insufficient places available to meet all parental preferences, priority will be given to applications in line with the over subscription criteria which can be found on each school's website. The admissions over subscription criteria will be applied on an equal preference basis.

### 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 Board act as Trustees for the charitable activities of St Cuthbert's Roman Catholic Academy Trust and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as St Cuthbert's Roman Catholic Academy Trust.

Details of the Trustees who served throughout the year, and up to date signing of the accounts, are included in the Reference and Administrative details on page 1.

The Academy Trust operated four primary Academies until 01 October 2017 when the Academy Trust expanded to operate one secondary Academy and seven primary Academies. This has remained unchanged for this reporting period.

- St Mary Queen of Martyrs Voluntary Catholic Academy (P)
- Endsleigh Holy Child Voluntary Catholic Academy (P)
- St Vincent's Voluntary Catholic Academy (P)
- St Richard's Voluntary Catholic Academy (P)
- St Mary's College Voluntary Catholic Academy (S) as from 01 October 2017
- St Anthony's Voluntary Catholic Academy (P) as from 01 October 2017
- St Thomas More Voluntary Catholic Academy (P) as from 01 October 2017
- St Charles' Voluntary Catholic Academy (P) as from 01 October 2017

(P) = primary school

(S) = secondary school

#### 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.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Trustees' Indemnities

The Academy Trust through its Articles has fully indemnified its Trustees to the fullest extent permissible by law. During the period, the Academy Trust has also purchased and maintained liability insurance for its Trustees. The insurance provides cover up to £10,000,000 on any one claim.

### Method of Recruitment and Appointment or Election of Trustees

The Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Academy Trust shall have the following Directors being not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. Non-foundation Directors are appointed or removed by the Foundation Directors.

Foundation Directors are appointed or removed by the Bishop and should always exceed the number of Non-foundation Directors by a minimum of two.

### Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for the new Trustees will depend on their existing experience and the Diocesan Skills Audit to ensure that all essential skills are covered by the Board and training provided as required. Where necessary induction will provide training on charity and educational legal and financial matters. All training needs will be coordinated by the professional clerking service in conjunction with accredited governor training providers and expert legal and financial partners. All new Trustees will meet with the CEO and also be given a tour of the Academies and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as a Trustee.

As there are normally only one or two new Trustees a year, induction is specifically tailored to the individual.

### Organisational Structure

The Governance / Leadership of the Trust has five levels:

1. The Members
2. The Board of Trustees
3. Local Cluster Boards
4. Executive Leadership Team
5. Individual Academy Senior Leadership Teams.

The aim of this structure is to ensure that decisions are made with appropriate involvement at the right level. The Trust Board is responsible for the strategic direction of the Trust and has overall responsibility for standards, finance, audit, staffing and estate. The Trust has a Finance, Assets and Audit Committee to support all obligations and responsibilities outlined in The Academies Financial Handbook.

The Trustees are responsible for shaping general policy; setting an annual budget plan aligned to the agreed Trust priorities; monitoring the Trust by use of results and budgets; managing risk and providing assurance; capital expenditure; making major decisions about the Executive Leadership of the Trust and Senior Leadership appointments.

The Local Cluster Boards are sub-committee bodies to the Trust Board. They have delegated responsibilities for the Catholic Life of the School and Safeguarding.

The Executive Leadership Team comprises the Chief Executive Officer (CEO), Chief Operating Officer Secondary (COO S), Chief Operating Officer Primary (COO P), Secondary Head of School, Primary Leadership and Chief Financial Officer (CFO). They are responsible for the operational aspects of running the Trust including the authorisation of spending within agreed budgets and according to delegated authorities and the appointment of staff.

The Chief Executive Officer is the Accounting Officer.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### Arrangements for Setting Pay and Remuneration of Key Management Personnel

The key management personnel identified with the Trust are the Executive Leadership Team as referenced on page 4. The Trust appoints a special Pay Committee to determine the pay ranges for these key positions, in line with any national guidance on executive salary setting, level of responsibility, local context and challenge, any available benchmarking information and current market conditions for competitive recruitment. The CFO has received executive pay setting training delivered by ASCL in 2017, in order to support the Pay Committee.

Performance management of the CEO is undertaken by external, independent reviewers to ensure transparency and impartiality.

### Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Academy to publish information on facility time arrangements for trade union officials at the Academy.

#### Relevant union officials

| Numbers of employees who were union officials during the relevant period | FTE employee number |
|--|---------------------|
| 5  | 4.58                |

#### Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0%                 | 1.58                |
| 1-50%              | 3.00                |
| 51-99%             | -                   |
| 100%               | -                   |

#### Percentage of pay bill spent on facility time

|   |             |
|---|-------------|
| Total cost of facility time                     | £683        |
| Total pay bill                                  | £20,377,938 |
| Percentage of total bill spent on facility time | 0.003%      |

#### Paid trade union activities

|   |    |
|---|----|
| Time spent on paid trade union activities as a percentage of total paid facility time | 0% |
|---|----|

### Related Parties and Co-operation with other Organisations

St Cuthbert's Roman Catholic Academy Trust is part of the Diocese of Middlesbrough and works closely with the Director of Schools and all Catholic Academies within the Diocese. The Trust continues to work with all potential feeder primary schools in the local area that are not part of the formal governance arrangement.

Trustees are drawn from the local community and the Diocese, and from time to time it is possible that the Academy will enter into transactions with organisations in which a Trustee has an interest. All such transactions are reflected in the Trusts' Register of Business Interests. These are duly considered by the Trust on a regular basis to ensure that all such transactions are in line with the Academies Financial Handbook guidelines.

The Trust has control of St Mary's College Sports Development Company which was created for the joint purpose of providing high quality sports facilities to St Mary's College and the local community.

The Trust continues to work in partnership with Hull Collaborative Academies Trust (HCAT), which is not part of the formal governance arrangement, on a number of local, regional and national initiatives. This allows the Trust to develop collaborative learning strategies to support some of the most challenging schools in the city.

The Trust Board and its Committees must meet regularly enough to discharge their responsibilities under their Articles of Association, Funding Agreement and the Academies Financial Handbook, to ensure robust governance and effective financial management arrangements. Board meetings take place at least three times a year and Finance, Assets and Audit Committee meets at least six times a year. Business is only conducted when the Board or Committees are quorate.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Objectives and Activities

#### Objects and Aims

The principal object and activity of the charitable company is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Catholic schools designated as such which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any Trust deed governing the use of land used by the Academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Diocesan Bishop.

To promote for the benefit of individuals living in the areas served by the academies and the surrounding areas who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the objective of improving the condition of the life of the said individuals.

St Cuthbert's Roman Catholic Academy Trust vision statement is:

**“Ordinary people - working together - achieving extraordinary things”.**

The Trust believes that people have an unbelievable capacity to do great things and aims to provide rich and wide-ranging opportunities for people to achieve more than they ever thought possible.

#### Values

As a Trust, at the heart of our Christian service is to welcome and value each individual as equal, regardless of nationality, gender, race, colour, sexuality or creed. We pride ourselves on our exceptional standards of personal pastoral care, rooted in our Christian tradition and values of kindness, support, peace, justice, forgiveness and joy. Our outlook and ambition is international and inclusive.

#### Children are our Priority

We aim to place children at the centre of all decisions and activities, encouraging them to find excitement in their learning and to live life to the full. We do not settle for average. We aim to relentlessly focus on our core business which is to promote student's learning, welfare and achievement.

#### World Class

Without apology, we are committed to excellence and to build on the sustained world class successes of St Mary's College. Without excuses we find ways to help every student to feel that they are safe, belong and are successful in their learning. Teachers and support staff want to be the very best they can be.

#### Seamless Transition

Inclusive, our curriculum should be 3-19 understood, 3-19 planned, 3-19 relevant, 3-19 rigorous and 3-19 progressing. Our curriculum will deliver 3-19 outstanding outcomes and prepare all our young people exceptionally well for life thereafter.

#### Partnership

We build strong partnerships within our schools and with organisations that share our commitment to world class standards. Learning with and from others of good will, we will aim to always improve, to give our very best and expect it from others. Alongside others, we serve the common good and actively support system reform so that all children might thrive.

**“In every here and now we are ready to express our hope.”**

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Objectives, Strategies and Activities

The Trust has four main strategic aims for each of its Academies as listed below:

#### Strategic Aim 1: Outcomes

All Academies are enabled to reach good or better outcomes.

##### Key Areas:

- a. To improve standards in Reading, Writing and Mathematics so that year on year more pupils achieve and exceed age related expectations, and progress exceeds that made by pupils with similar starting points (Primary Specific)
- b. To secure high quality teaching and learning of a rich and broad curriculum in each Academy
- c. To ensure that groups at risk of underachieving make good or better progress as required
- d. To strengthen the Catholic ethos/distinctiveness of our academies.

#### Strategic Aim 2: Academy Improvement

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

##### Key Areas:

- a. To secure an accurate and robust self-evaluation process.
- b. To develop school to school support in line with the Trust Self Evaluation process.
- c. To build further links with Teaching Schools and training providers.

#### Strategic Aim 3: Leadership

To ensure high quality leadership and governance at Trust Board, Local Clusters and Academy level.

##### Key Areas:

- a. To develop a fully functioning, high level Trust Board that represents the full range of skills required.
- b. To embed high quality governance at the local level, focussed clearly on raising standards.
- c. To empower leaders to lead the improvement journey within and beyond their Academies, holding professionals to account for their outcomes.

#### Strategic Aim 4: Business

To provide high quality financial direction and leadership of the Trust to achieve financial stability, explore growth opportunities and manage risk.

##### Key Areas:

- a. To deliver financial stability through the 3-year financial plan.
- b. To maintain measured and systematic growth in recruitment.
- c. To deliver high quality central services to the Trust and other education partners.

### Public Benefit

The Trust provides educational services to children attending its academies. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

The primary purpose of St Cuthbert's Roman Catholic Academy Trust is the advancement of education within Catholic schools in Hull. To this end, it now runs eight Academy schools aspiring towards the highest possible standards for 3,913 students aged 3-19. The public good is inextricably linked to this purpose through the provision of educational activities and extracurricular activities to the local communities served. The Academy Trust aims to maximise each student's potential and to develop principled, informed, open-minded and confident citizens who respect the beliefs of others and who make a positive contribution to society.

In addition, the Trust's leadership make a regular and significant contribution to the shaping and implementation of key local, regional, and national educational strategies such as The Local Learning Partnership, Teaching School, National Support Schools and National Leaders in Education. St Mary's College, the secondary school in the Trust, was recently invited by the DfE to apply to be the area for two key national initiatives that are Teaching School Hubs and Behaviour Hubs. Invitations were only offered to schools meeting a very strict set of entry level criteria.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### STRATEGIC REPORT

#### Achievements and Performance

Centralised services in relation to finance, HR, IT and estate are firmly established and have seen major improvements to service quality, financial control and viability.

St Mary's College (SMC) was awarded Teaching School status in September 2017 and was reaccruited with World Class Schools Quality Mark in September 2020. It has operated successfully for eight years in a variety of National Support School activities in the area.

SMC has had executive leadership over another secondary school, The Marvell College, since 2013, and was judged "Good" during its last Ofsted inspection.

Presently no further expansion is planned as all Hull Catholic Schools are now included in the Trust. However, there may be some opportunity for growth in the East Riding in the future.

#### COVID-19

At the beginning of 2020, it was clear that this was going to be an unprecedented year, with the onset of the global pandemic and the first period of lockdown commencing in March. The focus of the Trust's operations became planning and implementing a COVID-19 secure environment whilst delivering consistently high-quality education both online for most students and on site for children of key workers and vulnerable students. The Trust quickly responded to the challenging demands of the situation including being one of the first to supply their own free school meals voucher scheme ahead of the national scheme. The Trust took full advantage of the significant investment it had made in IT infrastructure during Summer 2019. This investment enabled an immediate Trust wide on-line curriculum and pastoral response during and beyond lockdown. Progress was impacted by the failure of central government to deliver IT assets in line with those promised, but skilful adaptation of legacy assets ensured that all students requiring support received it. An extensive Business Support and HR effort was mobilised to ensure that suitable support systems were in place for staff, students and families.

St Mary's College had a major capital build project ongoing during this period. Tight project management across an experienced project team achieved all key milestones and handover in line with the target deadline.

The Trust was faced with significant levels of unplanned expenditure, amounting to over £350,000, to deliver the COVID-19 secure environment that matched the rigorous demands of the national guidance and local health and safety requirements. Additional costs in relation to school trips, loss on fresh catering supplies, cancelled bus transport and the general overtime cost for premises staff have added to the cost burden of the pandemic. The Strategic Directors met regularly (fortnightly) to ensure that good governance was being maintained and that sound financial management was being applied. COVID-19 expenditure was carefully monitored and eventually the Trust received the extraordinary payment from the government which covered around £287,000 of expenditure, but not all, of the essential costs around premises, cleaning and Free School Meals. This is the reason that the Trust is declaring a slight deficit budget this year. The financial burdens relating to COVID-19 continue and will inevitably have a negative impact on the budget that Directors agreed for 2020-2021.

The staff and pupils across the whole of the trust have shown great resilience during these difficult times and have endeavoured to ensure to maintain the highest level of education provision possible. The teaching staff have adapted admirably to the difficult teaching conditions and the staff continue to ensure the highest level of pastoral care is given to all the pupils in the Trust.

#### COVID-19 Impact on Primary Performance

As part of steps taken to fight the spread of coronavirus (COVID-19), the government announced that all tests due to take place in primary schools in England in summer 2020 were cancelled and that it would not publish any school level educational performance data based on tests, assessments or exams for 2020. This meant that the government did not publish any national, regional and local data for any primary school assessments for the 2019 to 2020 academic year.

This includes:

- early years foundation stage profile
- phonics
- key stage 1
- multiplication tables check
- key stage 2

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### COVID-19 Impact on Secondary Performance

#### Context for Summer 2020 Awarding of Grades

No examinations were completed in Summer 2020 at any Key Stage or in any qualification. As a result, Ofqual and the DfE published guidance for schools to generate Centre Assessed Grades (CAGs) which should reflect students' projected outcomes based on available data, but that must be consistent with each school's performance across the curriculum over time. A national standardisation process was then to be undertaken to ensure a 'fair' allocation of grades across schools. A failed attempt to conduct this standardisation led to a decision by the government to award any students who were due to complete courses in Summer 2020 their Centre Assessed Grade or the outcome generated during the failed standardisation, whichever was higher. This has led to a number of challenges for schools, colleges and Higher Education Institutions.

St Mary's College undertook a robust and sophisticated process to establish Centre Assessed Grades and associated rank orders for submission to exam boards. A range of evidence was considered, and a tiered moderation was conducted alongside a forensic analysis to test for consistency and potential bias.

#### Key Stage 4

Outcomes broadly represent the anticipated increase in performance for this Year 11 cohort. Progress 8 value of 0.93 places SMC amongst top performing non-selective state schools. Strong performance in core curriculum including RE with improved performance across all thresholds. High levels of consistency across the curriculum maintained with strong outcomes throughout. EBACC threshold measure further improved from a very strong and sustained position in recent years. Over 50 grades were increased from the Centre Assessed Grades submitted during national standardisation.

#### Key Stage 5

Outcomes broadly represent the anticipated increase in performance for this Year 13 cohort. Excellent value added supports 3-year trend and established performance in top tier of schools nationally. Threshold headlines - strong trend: Points per entry in all qualification groups has further increased. Early indications for destinations are positive although an emerging shift to deferrals for University places.

### Financial and Risk Management Objectives and Policies

The Trust has basic financial instruments. These are bank balances, trade debtors, other debtors, accrued income, trade creditors and accruals. These arise through the normal trading activities of the Trust. The Trustees have assessed and implemented several systems to assess and mitigate risks that the Academy Trust faces, especially in the operational areas e.g., in relation to teaching, HR management and to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk remains, they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement. Key risks have been identified below:

- Staff recruitment & retention: pro-active use of the Schools Direct programmes in both primary and secondary is central to ensuring the Trust maintains high quality flow of new staff. Expansion of the Trust has created further opportunities to retain key staff and in particular nurture future Catholic leadership.
- Student numbers: The Trust is currently running close to capacity due to the ongoing expansion of St Mary's College main school and 6<sup>th</sup> Form. The Local Authority requested that the secondary school increase its PAN from 300 to 360 per year group from September 2019 in order to assist with a shortage of secondary places across the city. This was supported by a centrally funded new building containing 18 classrooms and additional accommodation. A significant change request was granted by the DfE and the Trust is confident student numbers will be maintained. There is a concerning decline in primary school numbers on roll due to local housing strategy and the general demographic.
- Age of the estate (legacy & lifecycle): St Cuthbert's is an Established Trust and now receives annual guaranteed capital funding (School Condition Allocation) of approximately £450,000. This makes planning for the asset management of the Trust easier and more effective. There are, however, some aging buildings that require significant investment.
- COVID-19: unplanned and unprecedented, this global pandemic has impacted on all aspects of running the Trust this year. Since lockdown in March 2020, the Finance, Assets and Audit Committee and Strategic Directors have continued to meet to ensure that governance is robust during this challenging time

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Reserves Policy

The Trustees regularly review the reserve levels of the Academy Trust. This review encompasses the nature of the income and expenditure streams, the need to match income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have reviewed the Trust's income and expenditure and have set a minimum of £350,000 be maintained as a cash balance, so as to minimise the financial risk of the Trust being unable to pay the debts as they fall due, and to maximise the educational benefit of the Trusts funding and other income. The Chief Financial Officer should propose a capital reserve schedule identifying the need to replace assets and the related sums required. The Directors agree the value of capital reserves to be created in a year as part of the budget approval process. COVID-19 has impacted on the level of reserves the Trust keeps due to the unprecedented level of expenditure required to deliver COVID-19 secure education. The exceptional funding payment from the government contributed towards costs but did not cover all spending on essential items like PPE, cleaning staff, cleaning resources and premises adaptations.

A breakdown of the funds as at 31 August 2020 is as follows:

The Group held total fund balance reserves of £17,497,383 as at 31 August 2020 (2019: £21,820,807), comprising of £16,799,709 (2019: £21,099,860) of restricted funds including a pension deficit of £10,632,000 (2019: £6,949,000) and unrestricted funds of £697,674 (2019: £720,947).

Total revenue reserves of the Group are £697,674 (2019: £720,947) as at 31 August 2020, and this excludes the fixed asset fund of £27,431,709 (2019: £28,048,860) and the pension reserve deficit of £10,632,000 (2019: £6,949,000). The amount of free funds, being total funds less the amount held in fixed assets and restricted funds is £697,674 (2019: £720,947).

The trust is carrying a net deficit of £10,632,000 (2019: £6,949,000) on the pension reserve deficit due to future pension liabilities exceeded the current value of assets held. Over time this will be brought back into balance through the payment of monthly pension contributions, based on a percentage of gross salaries, into the East Riding Pension Fund which includes an element to address the deficit position. During the year the Trust paid employer contributions of £869,347 (2019: £866,966).

### Going Concern

Despite the group's operational reserves (unrestricted funds excluding those represented by tangible fixed assets) showing a deficit of £163,843, the Trust currently manages its solvency through a combination of a robust budget setting process and a regular review of the budget against actual income and expenditure for each setting. The Trust has prepared cash flow forecasts to January 2022 and financial forecasts to August 2023 to support the going concern conclusion adopted. In addition, the trust operates with a manageable liquid cash balance and manages income and payments closely to ensure any potential risks to this are identified early. After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has the resources to adequately operate until at least 31<sup>st</sup> January 2022 and maintain solvency despite the impact of Covid-19. For this reason, it continues to adopt the going concern basis in preparing financial statements. The details regarding the adoption of the going concern basis can be seen in the Statement of Accounting Policies.

### Investment Policy

The Academy Trust does not currently hold any investments.

### Plans for Future Periods

The key aims and objectives set for the next reporting period are the same as those stated in this report. One of the main planned activities in terms of delivering a stable financial plan was full centralisation of the finance function and this was delivered by the end of this financial year. This will ensure improved sight and control of local and Trust resource plans. It will also further improve internal control procedures. The main financial challenges are COVID-19, volatile political environment (BREXIT), increased pay and pension costs, the age of our school estate and declining admissions in the primary phase.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Principal Risks and Uncertainties

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide a reasonable level and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the 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 the Academy Trust for the year 2019 – 2020, and up to the date of approval of the annual report and financial statements.

### Risk Management:

St Cuthbert's Roman Catholic Academy Trust views risk management as an integral part of good corporate governance in order to continue to:

- Manage the maintenance of high educational standards in terms of outcomes, policy and practice.
- Demonstrate best value.
- Protect the assets and reputation of the Trust and the academies.

### Key risks:

The Trust considers that key risks are most likely to arise in the following areas:

- Sustaining and improving the delivery of high-quality education to pupils attending the Trust's academies particularly in view of COVID-19 and the importance of remote access to education for all students
- Safeguarding students, employees and all other persons to whom the Trust has a duty of care, particularly in view of COVID-19 and the development of a new building on site at St Mary's College.
- Maintaining effective control of public funds and maintaining cost base in response to increasing teacher pay and pension rates with no certainty of central funding
- Protecting property including buildings, equipment, vehicles and all other assets and resources
- Compliance with statutory obligations, policy and financial procedures
- Maintaining the positive reputation of the Trust
- The age of the estate and capital investment required over the next few years set against capital grant income received through central government funding (School Condition Allocation)
- Declining primary admissions.
- Succession planning for key reserved leadership posts.

### Managing risk:

In order to effectively manage these risks, the Trust's Board of Trustees and Audit Committee are accountable for overseeing the implementation of the Risk Management Plan and ensuring that the Executive Leadership Team:

- Audit Committee meets twice termly as part of the Finance, Audit and Asset Committee.
- The Accounting Officer is responsible for embedding a culture of risk management culture across the Trust that encourages the identification and management of risk, reporting twice termly to Audit Committee on regularity, propriety and value for money.
- Appointment of finance Manager with responsibility for internal scrutiny.
- Provide an internal scrutiny programme and framework for recording, reviewing and reporting on potential risks and associated actions with follow up mechanism in place. This framework is traffic lighted to identify the level of risk – RED = high risk with significant financial impact likely; AMBER = some risk with moderate financial impact likely; GREEN = low risk with no financial impact expected.
- Continuation of peer-to-peer support for internal scrutiny as per Academies Financial Handbook.
- Reinforce the importance of effective risk management by offering training, good practice, and other support.

Strategic risks are identified and recorded in the Trust's Risk Register and are graded as high, medium or low. These risks are reviewed during the period and the Directors assess the major risks and uncertainties to which the trust is exposed.

The Trust's principal risks and uncertainties concern the global COVID-19 pandemic; the provision of a new building at St Mary's College for increased admissions due in October 2020; future funding of education; the funding for High Needs and the impact all of these factors will have on the Trust's finances.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### **Fundraising**

The Trust is currently reviewing its approach to fundraising. During the reporting period the following arrangements were in place:

St Mary's College contracted an expert bid writer 1 day per week over the period of 3 terms to develop and submit bids to support a variety of educational and enrichment projects across the school. In addition, St Mary's College invites new families to set up a regular contribution into a fund that is used to support specific types of projects as identified in the Memorandum of Understanding.

Some of the Primary Schools have active Parent Teacher Associations which follow national guidelines.

Furthermore, each Academy within the Trust has an active mission to fundraise towards internally approved projects and approved good causes such as CAFOD or Emmaus Hull.

This year, in response to the COVID-19 pandemic, the Chaplaincy Team has been very active in generating donations for food parcels to go out to the most deprived families in our community. They continued this vital work during lockdown, and it is still ongoing.

### **STREAMLINED ENERGY AND CARBON REPORTING (SECR)**

#### **UK energy use and associated greenhouse gas emissions**

St. Cuthbert's Roman Catholic Academy Trust is pleased to report its current UK based annual energy usage and associated annual greenhouse gas emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

#### **Organisational boundary**

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only for all assets that come under an operational control boundary. This includes all 8 schools controlled during the reporting period along with minibuses and personal vehicles used for business mileage ("grey fleet").

#### **Reporting period**

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

#### **Quantification and reporting methodology**

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2020 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity, gas and heating oil data were all compiled from invoice records. Mileage claims were used to calculate energy use and emissions associated with grey fleet; and total mileage figures were used for scope 1 transport throughout the reporting year. On site renewable solar photovoltaic electricity figures are reported after subtracting the electricity exported to the grid. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3).

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### Breakdown of energy consumption used to calculate emissions (kWh):

| Energy type   | 2019/20          |
|---|------------------|
| <b>Mandatory energy:</b>                            |                  |
| Gas   | 1,989,552        |
| Purchased electricity from the grid                 | 640,849          |
| Transport fuel                                      | 30,319           |
| <b>Total mandatory energy</b>                       | <b>2,660,720</b> |
| <b>Voluntary energy:</b>                            |                  |
| Heating Oil   | 466,725          |
| Consumed electricity from on-site renewable sources | 10,356           |
| <b>Total voluntary energy</b>                       | <b>477,081</b>   |
| <b>Total mandatory &amp; voluntary energy</b>       | <b>3,137,801</b> |

### Intensity ratio

The primary intensity ratio is total gross emissions in metric tonnes CO<sub>2</sub>e (mandatory emissions) per pupil, which is the recommended ratio for the sector for consistency and comparability. Pupil numbers are based on the Autumn 2019 Census.

A secondary intensity ratio based on floor area (Gross Internal Area) is also provided to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

### Breakdown of emissions associated with the reported energy use (tCO<sub>2</sub>e):

| Emission source   | 2019/20      |
|---|--------------|
| <b>Mandatory emissions:</b>                             |              |
| <u>Scope 1</u>  |              |
| Natural gas   | 365.8        |
| Transport - Company owned vehicles (mini-buses)         | 5.3          |
| <u>Scope 2</u>  |              |
| Purchased electricity (location-based)                  | 149.4        |
| <u>Scope 3</u>  |              |
| Transport – Business travel in employee owned vehicles  | 2.3          |
| <b>Total gross mandatory emissions</b>                  | <b>522.8</b> |
| <u>Intensity ratios (mandatory emissions only)</u>      |              |
| Tonnes of CO <sub>2</sub> e per pupil                   | 0.147        |
| Tonnes of CO <sub>2</sub> e per square meter floor area | 0.018        |

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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| Emission source  | 2019/20      |
|--|--------------|
| <b>Voluntary emissions:</b>                            |              |
| <u>Scope 1</u>   |              |
| Heating Oil  | 112.3        |
| <b>Total gross voluntary emissions</b>                 | <b>112.3</b> |
| <b>Total gross voluntary &amp; mandatory emissions</b> | <b>635.1</b> |

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### Energy efficiency action during current financial year

It is worth noting that energy consumption is expected to be below typical this year due to the reduced occupancy across all sites following COVID-19 restrictions from 23 March 2020. Despite this temporary reduction in energy use, the Trust is committed to reducing longer term emissions and this year has seen the implementation of energy efficiency measures. Throughout this reporting year the Trust has conducted a thorough review of the control settings of all the heating, hot water and air conditioning systems across the whole estate. The settings have all been optimised on both the timing and temperatures to ensure energy is consumed in the most efficient manner. In addition to this, the normal servicing of the heating plant is regularly undertaken, and all the children are taught about climate change and decarbonisation as part of the curriculum. All of these actions are sensible low-cost measures that are implemented before any investments in energy efficient technology. In terms of upgrading, LED lighting and energy efficient air conditioning units have been installed and future investment is planned.

### Section 172(1) statement and our stakeholders

We report here on how the Trust have performed their duty under Section 172 (s.172) of the Companies Act 2006. S.172 sets out a series of matters to which the Trustees' must have regard in performing their duty to promote the success of the Trust for the benefit of its stakeholders.

### Engagement with Employees (including disabled persons)

The Trust is committed to providing all employees with regular information on matters of concern to them. The main methods used are as follows:

Daily staff briefings (electronic during the pandemic).

Global email communications for important or urgent information.

St Mary's College developed a staff community SharePoint site to address pastoral matters during the lockdowns.

Live Teams Events for key INSET or Trust Briefings / Gatherings

Paper versions of communications produced by Communications Manager for staff without electronic access.

The Trust is committed to consulting with employees or their representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests. A termly Joint Consultative Committee is held with regional members of the main professional bodies. The Trust supports the union levy and regularly offers representatives the opportunity to consult with staff and feedback to Senior Leadership.

The Trust regularly shares performance data with staff and has regular meeting structures in place to ensure that this information is understood, and responses can be formulated in partnership.

St Cuthbert's employs a specialist HR Manager who advises Directors and Senior Leadership on policy in respect of key HR matters such as employment and treatment of disabled individuals. Information on policy is published on our Trust schools' websites.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### **Engagement with Suppliers, Customers and others in a Business Relationship with the Trust**

The Trust continues to develop its relationships with key suppliers. It has been made difficult by the current pandemic but telephone, Zoom, Teams and a limited amount of face-to-face meetings has continued to make this possible. The Trust maintains a list of contracts, with a full list of suppliers in our Financial system.

It is important that our business relationships are beneficial to both sides and we ensure our lines of communication are always maintained to maximise the best value to the organisation. The time spent liaising with suppliers can help to increase the use of their service whilst ensuring the service is further developed for the advantage of the Trust.

The Trust is committed to act fairly between its members and all stakeholders. The local community is a beneficiary of the Trust, please refer to the Public Benefit section of the Trustee Report on page 7 for more details. The Trust's impact on the environment is referred to in the Streamlined Energy and Carbon Reporting section on pages 12 and 13 and our commitment to maintain the Trust's reputation for high standards can be seen throughout the Trustee's report.

### **Auditor**

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

### **Statement as to Disclosure of Information to Auditor**

Insofar as the Trustees are aware:

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

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the Company Directors, on 26 January 2021 and signed on the Board's behalf by:



Peter Fearnley  
Trustee and Chair

26 January 2021

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## GOVERNANCE STATEMENT

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### Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Cuthbert's Roman Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year and its main responsibilities are as follows:

- Admissions
- Appeals
- Finance, Audit and Capital Assets
- Human Resources Committee (including Pay)
- Student Exclusion
- Curriculum, Teaching and Learning
- Strategy
- Safeguarding
- Catholic Life of the Schools
- Complaints

The Board is provided with regular and timely information on the overall financial performance of the Academy together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters including health and safety and environmental issues.

The Independent Clerk to the Board maintains a register of financial and personal interests of the members of the Board. The register is available for inspection on the website.

All Board members are able to take independent professional advice in furtherance of their duties at the Trust's expense and have access to the Clerk, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Board as a whole.

Formal agendas, papers and reports are supplied to Board members in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## GOVERNANCE STATEMENT (continued)

Attendance during the year at meetings of the board of Trustees was as follows:

### ATTENDANCE REGISTER - full board meetings only

| St Cuthbert's Roman Catholic Academy Trust | 03/10/19 | 05/12/19 | 04/06/20 | 09/07/20 |
|--|----------|----------|----------|----------|
| <b>Foundation:</b>                         |          |          |          |          |
| Mr C Cuthill                               | •        | x        | •        | •        |
| Mr M Davidson                              | •        | •        | •        | •        |
| Ms R Dex                                   | *        | •        | •        | •        |
| Mr M Gallagher                             | *        | *        | •        | •        |
| Father W Massie                            | •        | •        | •        | •        |
| Mrs A Ward                                 | •        | *        | *        | •        |
| Mr K Duffy                                 | •        | x        | •        | •        |
|  |          |          |          |          |
| <b>Parent:</b>                             |          |          |          |          |
| Mr T Davison                               | •        | *        | *        | *        |
| Mr P Fearnley (Chair)                      | •        | •        | •        | •        |
|  |          |          |          |          |
| <b>Co-opted:</b>                           |          |          |          |          |
| Mrs L Dyas (Vice Chair)                    | •        | •        | •        | •        |
| Mr J Sargeant                              | •        | •        | •        | •        |
|  |          |          |          |          |
| <b>CEO:</b>                                |          |          |          |          |
| Mr G Fitzpatrick                           | •        | *        | •        | •        |
| <b>COO P:</b>                              |          |          |          |          |
| Mrs K Siedle                               | •        | •        | •        | •        |
| <b>COO S:</b>                              |          |          |          |          |
| Mr D Walmsley                              | *        | •        | •        | •        |
| <b>CFO:</b>                                |          |          |          |          |
| Mrs S Teasdale                             | •        | •        | •        | •        |
|  |          |          |          |          |

• = present

\* = absent, consent given

x = absent, no consent

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## GOVERNANCE STATEMENT (continued)

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### Governance Reviews

The Board of Trustees completed a self-evaluation skills audit in the Summer Term of the last reporting period, and this was facilitated by our external expert clerking service who used the Diocesan approved skills audit tool, and it ensures that all key skills for governance are covered. Particular challenges facing the Board this year have been as follows:

- COVID-19
- Ageing estate
- Decline in primary admissions.
- Expanding PAN at St Mary's College 12 months prior to receiving the capital building
- Major capital building project on site at St Mary's College
- Increased pressure on High Needs across the Trust and diminishing funding.
- Increased teacher pay and pension rates that have not been fully funded.

The Board is chaired by a qualified chartered accountant who is able to provide strong leadership to the Board and the highly skilled Finance, Asset and Audit Committee (FAA). The FAA Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

### Terms of Reference

#### Capital and Assets

- To monitor the use of the Trust's capital funding, with due reference to the agreed selection criteria.
- To maintain oversight of premises issues, including capital investment, facilities management and community use.
- To ensure the implementation of a rolling programme of repairs and maintenance across all sites, based on identified priorities.
- To make the best use of the Trust's capital assets.
- To insure the buildings.
- To prepare and keep under review the health and safety policy.
- To monitor and evaluate the implementation of the health and safety policy and intervene where necessary.
- To ensure compliance with health and safety legislation and best practice, including monitoring accidents and near misses.
- To monitor Trust-wide ICT provision

#### Finance

- To ensure the financial sustainability of the Trust.
- To consider indicative funding, notified annually by the ESFA, and to assess its implications, drawing any matters of significance or concern to the attention of the Board of Trustees.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Trust, the financial regulations of the ESFA and the Academies Financial Handbook, drawing any matters of concern to the attention of the Board of Trustees.
- To report to the ESFA as required.
- To prepare the financial statements to form part of the annual report of the Board of Trustees, for presentation to members and filing in accordance with Companies Act and Charity Commission requirements.
- To recommend a formal budget plan for each financial year, for approval by the Board of Trustees.
- To receive and make recommendations on broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- To monitor school level budget planning and expenditure.
- To ensure funding received is used in accordance with guidance received.
- To report financial irregularities to Members.
- To agree contracts or other binding agreements, in accordance with adopted policies and procedures and in line with delegated levels of expenditure.
- To make payments in accordance with adopted policies and procedures and in line with delegated levels of expenditure.
- To liaise with and receive reports from committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them.
- To approve/recommend for approval policies and procedures relating to financial management.
- To approve the scheme for paying governors' expenses.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## GOVERNANCE STATEMENT (continued)

### Audit

- To advise the Board on the adequacy of internal controls and value for money systems.
- To review financial statements and reports and highlight any significant issues to the Board of Trustees.
- To monitor and review the effectiveness of financial procedures, controls and internal audit and, where appropriate, make recommendations for improvement. To review risks to internal financial control and agree actions to address those risks.
- To recommend to the Board the appointment of the external auditors.
- To recommend to the Board the program of independent checks on financial controls and systems.
- To receive auditors' reports and to recommend to the Board action as appropriate in response to audit findings.
- To ensure all relevant reports and management letters are responded to effectively and in a timely manner.
- To keep under review the whistleblowing policy and ensure allegations of fraud or irregularity are investigated.
- Ensure a register of business interests is maintained.
- To ensure the Trust meets the requirements of Data Protection and Freedom of Information legislation.

Attendance at meetings in the year was as follows:

| St Cuthbert's Roman Catholic Academy Trust<br>Finance, Assets and Audit Committee | 24/10/19 | 05/12/19 | 06/02/20 | 12/03/20 | 07/05/20 | 02/07/20 |
|---|----------|----------|----------|----------|----------|----------|
| Mr P Fearnley (Chair)   | •        | •        | •        | •        | •        | •        |
| Mr M Davidson   | *        | •        | •        | •        | •        | •        |
| Ms R Dex  | •        | •        | •        | *        | •        | •        |
| Mr T Davison  | •        | x        | *        | •        | •        | *        |
| Mr M Gallagher  | •        | •        | •        | •        | •        | •        |

- = present      \* = absent, consent given x = absent, no consent

### Review of Value for Money

As Accounting Officer, the Chief Executive Officer 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:

- Effective procurement of the ICT contract
- Effective procurement of all operational leases
- Effective procurement of trades and services
- Effective use of the facilities of the Trusts subsidiary to provide sporting facilities to SMC.
- Use of framework agreements and national deals e.g. educational supplies and agency supply
- Staffing efficiencies and increased harmonisation across the Trust
- Traded services e.g. HR, Payroll, Estate, ICT, School Improvement.
- Effective use of procurement of Covid-19 supplies and services
- Social Impact - adding value to the regional and national offer particularly in leading the Hull Sports Active Programme providing participation and competitive opportunities for all schools across the City, the Trust are the lead regional school for Inclusion Sport; The Trust is one of the leading members of the City Learning Partnership which is pivotal to setting the local education agenda; The Trust's sport facility "The Academy" provides competitively priced community sport and health and well-being opportunities to the local community.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## GOVERNANCE STATEMENT (continued)

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### **The Purpose of the System of Internal Control**

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

### **Capacity to Handle Risk**

The Board 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 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 financial statements. This process is regularly reviewed by the Audit Committee and the Internal Scrutiny Annual Report 2019-20 details the process and measures taken in this reporting period.

The Audit Committee has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. A Risk Register is in place and is regularly reviewed by the FAA Committee.

The Trust contracts with an external specialist education accountancy company to provide regular financial expertise in this area and to produce high quality data and reporting for the Board of Trustees and FAA Committee.

The Trust has appointed a Finance Manager with responsibility for internal scrutiny. The individual appointed in Spring 2020 has a strong track record in this field of audit and control.

In addition, the Audit Committee have also agreed a programme of internal financial scrutiny which due to be implemented by the Chief Financial Officer of a partner Trust in the city, to include Finance, Payroll and HR Systems. Unfortunately, as a result of the COVID-19 pandemic, this plan was not realised and will need adapting next year to ensure that the role can be effectively undertaken remotely if required.

The Audit Committee also nominated external Health and Safety experts, Stallard Kane, to undertake an annual H&S audit, including estate management compliance across all schools in the Trust. This is further strengthened by a regular, annual operational audit which is carried out by Senior Estate staff.

### **The Risk and Control Framework**

The 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 regular financial reports which are reviewed and agreed by Trust Board; in line with requirements of the Academy's Financial Handbook
- regular reviews by the FAA 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.
- up to date published financial procedures handbook.
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties
- identification and management of risks
- regular use of ESFA checklists and reporting to Directors
- proactive approach to staff education on fraud.

The Finance Manager with responsibility for internal scrutiny reports into the CFO on a day-to-day basis but has a dotted reporting line to the Chair if any issues emerge with either CFO, CEO or Accounting Officer activity. The scrutiny reports are formally reported to the Board via the Finance, Assets and Audit Committee. Reports on internally evaluated opinions have evolved throughout this financial year, and in order to provide a rolling, consistent approach to the internal scrutiny programme a traffic light system has been put in place and any items with amber or red reporting will be detailed to the Board for further scrutiny.

The Board is also free to ask for more information on any aspect of financial management at any time. The Trust identifies, on a risk-basis (with reference to its risk register) the areas it will review each year. The review will

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## GOVERNANCE STATEMENT (continued)

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be refined. During the year rolling program looked at areas such as delegated levels of authority, ESFA benchmarking, asset management plan, register of business interests, bank reconciliations and mandates. Further work was done on expenses claims, payroll and health and safety risk assessment. No fundamental issues arose during the scrutiny.

This year's major challenge has been to manage the impact of COVID on all key aspects of financial management. Regular reporting to the Board has provided assurance on levels of planned and unplanned expenditure and compliance with funding streams such as the exceptional COVID costs and COVID Catch-up Fund. The Trust also adopts the peer-to-peer method of internal reporting and uses a partner Trust to carry out various checks throughout the reporting period such as

- testing of payroll systems
- testing of purchase systems
- testing of income controls
- testing of banking controls.

The internal scrutiny plan was significantly disrupted as a result of the COVID-19 pandemic. The peer-to-peer support was unable to take place as a result of the CFO from another Trust having to shield. However, the Audit Committee maintained its meeting schedule alongside all other internal scrutiny inputs. This approach will be reviewed for the next reporting period due to the ongoing impact of COVID on external visits to site and an alternative remote plan will be implemented. On a half termly basis, the internal scrutineer reports to the Trust on the operation of systems of control and on the discharge on the Board of Trustees responsibilities.

Based on the reviews undertaken the overall opinion on governance and control environment was satisfactory. There were no fundamental recommendations arising from the internal scrutiny and all prior years internal audit recommendations have been implemented. Control is effective in most areas and clear plans exist to make further improvements. The centralisation of financial processes has enabled improvements to be made to financial procedures and the internal scrutiny programme. Further improvements required are for the Trust to identify an alternative to peer-to-peer support which has not been able to deliver for the Trust during lockdown. An alternative external specialist provider will be appointed Spring 2021 for programme of scrutiny to be undertaken Summer 2021.

### **Fraud Management**

The Trust has an active fraud education programme in place and regular reporting to Directors. There has been no fraud identified or reported during this period.

### **Review of Effectiveness**

As Accounting Officer, the Chief Executive Officer 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 scrutineer
- the work of the external auditor
- the ESFA school resource management assessment checklist, dashboard & benchmarking
- the Accounting Officers own review and checklist.

Approved by order of the Board of Trustees on 26 January 2021 and signed on its behalf by:



P Feamley  
Chair



G Fitzpatrick  
Accounting Officer

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 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 Fitzpatrick  
**Accounting Officer**

26 January 2021

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 26 January 2021 and signed on its behalf by:



P Fearnley  
Chair

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

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## Opinion

We have audited the financial statements of St Cuthbert's Roman Catholic Academy Trust (the "parent charitable company") and its subsidiary (the 'group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Academy Trust Balance Sheets, the Consolidated and Trust Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

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

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees Report have been prepared in accordance with applicable legal requirements.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST (CONTINUED)

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page 23, the Trustees (who act as Trustees for the charitable activities of the group and parent charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

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

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

## 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.



Richard Lewis (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP  
Chartered Accountants  
Two Humber Quays  
Wellington Street West  
HULL  
HU1 2BN

Date 28/1/2021

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

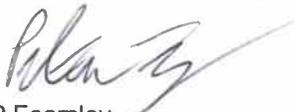
FOR THE YEAR ENDED 31 AUGUST 2020

|  | Notes | Unrestricted<br>Funds<br>£ | Restricted<br>General<br>Funds<br>£ | Restricted<br>Fixed Asset<br>Funds<br>£ | Total<br>2020<br>£ | Total<br>2019     |
|--|-------|----------------------------|-------------------------------------|---|--------------------|-------------------|
| <b>Income and endowments</b>                     |       |                            |                                     |   |                    |                   |
| Donations and capital grants                     | 3     | 50,692                     | -                                   | 540,178                                 | 590,870            | 626,636           |
| Charitable activities:                           |       |                            |                                     |   |                    |                   |
| -Funding for educational operations              | 4     | -                          | 21,593,347                          | -                                       | 21,593,347         | 20,228,387        |
| Other trading activities                         | 5     | 2,028,093                  | -                                   | -                                       | 2,028,093          | 2,253,242         |
| Investments                                      | 6     | 1,835                      | -                                   | -                                       | 1,835              | 962               |
| <b>Total</b>                                     |       | <u>2,080,620</u>           | <u>21,593,347</u>                   | <u>540,178</u>                          | <u>24,214,145</u>  | <u>23,109,227</u> |
| <b>Expenditure on</b>                            |       |                            |                                     |   |                    |                   |
| Raising funds                                    |       | 6,590                      | -                                   | -                                       | 6,590              | 6,550             |
| Charitable activities                            |       |                            |                                     |   |                    |                   |
| - Educational operations                         | 8     | 2,097,303                  | 22,684,347                          | 1,157,329                               | 25,938,979         | 24,582,313        |
| <b>Total</b>                                     | 7     | <u>2,103,893</u>           | <u>22,684,347</u>                   | <u>1,157,329</u>                        | <u>25,945,569</u>  | <u>24,588,863</u> |
| <b>Net (expenditure)</b>                         |       | (23,273)                   | (1,091,000)                         | (617,151)                               | (1,731,424)        | (1,479,636)       |
| <b>Other recognised gains/(losses)</b>           |       |                            |                                     |   |                    |                   |
| Re-measurement of net defined benefit obligation | 24    | -                          | (2,592,000)                         | -                                       | (2,592,000)        | (1,158,000)       |
| <b>Net movement in funds</b>                     |       | (23,273)                   | (3,683,000)                         | (617,151)                               | (4,323,424)        | (2,637,636)       |
| <b>Reconciliation of funds</b>                   |       |                            |                                     |   |                    |                   |
| Total funds brought forward                      |       | 720,947                    | (6,949,000)                         | 28,048,860                              | 21,820,807         | 24,458,443        |
| Total funds carried forward                      |       | <u>697,674</u>             | <u>(10,632,000)</u>                 | <u>27,431,709</u>                       | <u>17,497,383</u>  | <u>21,820,807</u> |

**ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST****CONSOLIDATED BALANCE SHEET****AS AT 31 AUGUST 2020**

|   | Notes | £                  | 2020<br>£           | £                  | 2019<br>£          |
|---|-------|--------------------|---------------------|--------------------|--------------------|
| <b>Fixed assets</b>                                     |       |                    |                     |                    |                    |
| Tangible assets   | 13    |                    | 28,137,379          |                    | 28,816,671         |
| <b>Current assets</b>                                   |       |                    |                     |                    |                    |
| Debtors   | 14    | 965,512            |                     | 1,083,323          |                    |
| Cash at bank  |       | <u>770,389</u>     |                     | <u>669,240</u>     |                    |
|   |       | 1,735,901          |                     | 1,752,563          |                    |
| <b>Current liabilities</b>                              |       |                    |                     |                    |                    |
| Creditors: amounts falling due within one year          | 15    | <u>(1,706,145)</u> |                     | <u>(1,757,273)</u> |                    |
| <b>Net current assets/ (liabilities)</b>                |       |                    | <u>29,756</u>       |                    | <u>(4,710)</u>     |
| <b>Total assets less current liabilities</b>            |       |                    | 28,167,135          |                    | 28,811,961         |
| Creditors: amounts falling due after more than one year | 17    |                    | <u>(37,752)</u>     |                    | <u>(42,154)</u>    |
| <b>Net assets excluding pension liability</b>           |       |                    | 28,129,383          |                    | 28,769,807         |
| Defined benefit pension scheme liability                | 24    |                    | <u>(10,632,000)</u> |                    | <u>(6,949,000)</u> |
| <b>Total Net assets</b>                                 |       |                    | <u>17,497,383</u>   |                    | <u>21,820,807</u>  |
| <b>Funds of the Academy Trust:</b>                      |       |                    |                     |                    |                    |
| <b>Restricted funds</b>                                 | 18    |                    |                     |                    |                    |
| - Restricted fixed asset funds                          |       |                    | 27,431,709          |                    | 28,048,860         |
| - Restricted income funds                               |       |                    | -                   |                    | -                  |
| - Pension reserve                                       |       |                    | <u>(10,632,000)</u> |                    | <u>(6,949,000)</u> |
| <b>Total restricted funds</b>                           |       |                    | 16,799,709          |                    | 21,099,860         |
| <b>Unrestricted income funds</b>                        | 18    |                    | <u>697,674</u>      |                    | <u>720,947</u>     |
| <b>Total funds</b>                                      |       |                    | <u>17,497,383</u>   |                    | <u>21,820,807</u>  |

The financial statements on pages 26 to 54 were approved by the board of Trustees and authorised for issue on 26 January 2021 and are signed on their behalf by:

  
P Fearnley  
Chair

  
G Fitzpatrick  
Chief Executive Officer (Accounting Officer)

**ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST****ACADEMY TRUST BALANCE SHEET****AS AT 31 AUGUST 2020**

|   | Notes | £                  | 2020<br>£           | £                  | 2019<br>£          |
|---|-------|--------------------|---------------------|--------------------|--------------------|
| <b>Fixed assets</b>                                     |       |                    |                     |                    |                    |
| Tangible assets   | 13    |                    | 27,692,768          |                    | 28,223,832         |
| <b>Current assets</b>                                   |       |                    |                     |                    |                    |
| Debtors   | 14    | 970,066            |                     | 1,072,317          |                    |
| Cash at bank  |       | <u>730,260</u>     |                     | <u>621,414</u>     |                    |
|   |       | 1,700,326          |                     | 1,693,731          |                    |
| <b>Current liabilities</b>                              |       |                    |                     |                    |                    |
| Creditors: amounts falling due within one year          | 15    | <u>(1,743,810)</u> |                     | <u>(1,749,220)</u> |                    |
| <b>Net current liabilities</b>                          |       |                    | <u>(43,484)</u>     |                    | <u>(55,489)</u>    |
| <b>Total assets less current liabilities</b>            |       |                    | 27,649,284          |                    | 28,168,343         |
| Creditors: amounts falling due after more than one year | 17    |                    | <u>(37,752)</u>     |                    | <u>(42,154)</u>    |
| <b>Net assets excluding pension liability</b>           |       |                    | 27,611,532          |                    | 28,126,189         |
| Defined benefit pension scheme liability                | 24    |                    | <u>(10,632,000)</u> |                    | <u>(6,949,000)</u> |
| <b>Total Net assets</b>                                 |       |                    | <u>16,979,532</u>   |                    | <u>21,177,189</u>  |
| <b>Funds of the Academy Trust:</b>                      |       |                    |                     |                    |                    |
| <b>Restricted funds</b>                                 |       |                    |                     |                    |                    |
| - Restricted fixed asset funds                          | 18    |                    | 26,972,174          |                    | 27,448,525         |
| - Restricted income funds                               |       |                    | -                   |                    | -                  |
| - Pension reserve                                       |       |                    | <u>(10,632,000)</u> |                    | <u>(6,949,000)</u> |
| <b>Total restricted funds</b>                           |       |                    | 16,340,174          |                    | 20,499,525         |
| <b>Unrestricted income funds</b>                        | 18    |                    | <u>639,358</u>      |                    | <u>677,664</u>     |
| <b>Total funds</b>                                      |       |                    | <u>16,979,532</u>   |                    | <u>21,177,189</u>  |

As permitted by s408 Companies Act 2006, the Trust has not presented its own income and expenditure and related notes as it prepares group accounts. The Trust's deficit of income and expenditure for the year was £4,197,657, (2019 deficit £2,493,754).

The financial statement on pages 26 to 54 were approved by the board of Trustees and authorised for issue on 26 January 2021 and are signed on their behalf by



P Feamley  
Chair



G Fitzpatrick  
Chief Executive Officer (Accounting Officer)

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## CONSOLIDATED AND TRUST STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

|   | Notes | 2020             |                  | 2019             |                  |
|---|-------|------------------|------------------|------------------|------------------|
|   |       | Group<br>£       | Trust<br>£       | Group<br>£       | Trust<br>£       |
| <b>Cash flows from operating activities</b>   |       |                  |                  |                  |                  |
| Net cash (used in)/provided by operating activities                                 | 22    | (259,799)        | (252,102)        | 47,775           | 77,567           |
|   |       | <u>(259,799)</u> | <u>(252,102)</u> | <u>47,775</u>    | <u>77,567</u>    |
| <b>Investing activities</b>   |       |                  |                  |                  |                  |
| Interest received   |       | 1,835            | 1,835            | 962              | 962              |
| Capital grants from DfE   |       | 899,294          | 899,294          | 94,638           | 94,638           |
| Purchase of tangible fixed assets   |       | <u>(540,181)</u> | <u>(540,181)</u> | <u>(745,942)</u> | <u>(745,210)</u> |
| <b>Net cash from/(used in) investing activities</b>                                 |       | 360,948          | 360,948          | (650,342)        | (649,610)        |
| <b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b> |       | 101,149          | 108,846          | (602,567)        | (572,043)        |
| Cash and cash equivalents at beginning of the year                                  |       | <u>669,240</u>   | <u>621,414</u>   | <u>1,271,807</u> | <u>1,193,457</u> |
| Cash and cash equivalents at end of the year  |       | <u>770,389</u>   | <u>730,260</u>   | <u>669,240</u>   | <u>621,414</u>   |

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting Policies

##### General information

St Cuthbert's Roman Catholic Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

The group consists of St Cuthbert's Roman Catholic Academy Trust and its controlled entity St Mary's College Sports Development Company.

##### Basis of Preparation

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

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.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole pound.

##### Basis of Consolidation

The consolidated financial statements include the Trust and its subsidiary St Mary's College Sports Development Company, a registered charity (acquired on transfer of St Mary's College to the Trust on 1 October 2017) controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries acquired are consolidated using the purchase method. All financial statements are made up to 31 August 2020. The Company is consolidated as the Trust exercises control over the Company.

All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

##### Going Concern

The Multi Academy Trust is reporting a deficit of £4,323,424 (including a remeasurement of the net Defined Benefit pension obligations) (2019: deficit of £2,637,636) and an operational reserves (unrestricted funds excluding those represented by tangible fixed assets) deficit of £163,843. Future income will be secured based on an annual grant from the Department for Education which will be based on the Trust's increasing student numbers.

Based on cashflow forecasts prepared, the Board of Trustees have a reasonable expectation that the Academy Trust has the resources to adequately operate for a period of at least 12 months to 31 January 2022 and maintain solvency, despite the impact of Covid-19. The Trust currently manages its solvency through a combination of a robust budget setting process and a monthly review of the budget against actual income and expenditure. The Trust has prepared, on a cautious basis, cash flow forecasts to January 2022 and financial forecasts to August 2023 to support the going concern conclusion adopted. In addition, the Trust operates with a manageable liquid cash balance and manages income and payments closely to ensure any potential risks to this are identified early. At the year-end cash at bank is £770,389. For this reason, it continues to adopt the going concern basis in preparing financial statements.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting Policies (Continued)

##### **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.

##### Other income

Other income, including the hire of facilities, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

##### Donated goods, facilities and services

Gifts in kind, being the gift of a fixed asset, are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

Donated services are measured on the basis of the value of the gift to the Academy Trust.

##### **Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting Policies (Continued)

##### Expenditure on raising funds

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

##### Charitable activities

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

##### **Tangible fixed assets and depreciation**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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

Land and buildings owned by the Diocese of Middlesbrough are held under a licence agreement to occupy. The right to use these tangible fixed assets is recognised by the Trust as the Trust has the right to the future economic benefits reflecting the value of its continuing use of the land and buildings.

Depreciation is provided on all tangible fixed assets, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

|                                  |   |
|----------------------------------|---|
| Leasehold land                   | Over the residual life of the lease (125 years) |
| Leasehold buildings              | Between 10 and 50 years                         |
| Leasehold buildings improvements | 4% to 10% on a straight-line basis              |
| Computer equipment               | 25% to 33% on a straight-line basis             |
| Fixtures, fittings and equipment | 20% on a straight-line basis                    |

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.

##### **Liabilities**

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

##### **Leased assets**

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

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting Policies (Continued)

##### **Financial instruments**

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

##### Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

##### **Taxation**

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

##### **Pensions Benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

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

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting Policies (Continued)

##### Pensions Benefits (continued)

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

##### Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

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

##### Agency Arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 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.

##### *Defined benefit pension scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

##### *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and the accounting policies for the useful economic lives for each class of assets.

##### *Recognition of Diocese land and buildings*

The recognition of the right to use Diocese owned land and buildings is based on the principles-based approach driven by FRS102. Whilst the legal title has not been transferred to the Trust, the Trustees have assessed that the Trust has the right to the future economic benefit from their use and in accordance with their substance and not legal form the value of their continuing use have been accounted for in these financial statements.

#### 3 Donations and Capital Grants

|                 | Notes | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|-----------------|-------|----------------------------|--------------------------|--------------------|--------------------|
| Capital grants  |       | -                          | 540,178                  | 540,178            | 453,754            |
| Other donations |       | 50,692                     | -                        | 50,692             | 172,882            |
|                 |       | <u>50,692</u>              | <u>540,178</u>           | <u>590,870</u>     | <u>626,636</u>     |

The income from donations and capital grants was £590,870 (2019: £626,636) of which £50,692 was unrestricted (2019: £172,882) and £540,178 was restricted fixed assets (2019: £453,754).

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 4 Funding for the Academy Trust's Educational Operations

| Notes                                  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| <b>DfE / ESFA grants</b>               |                            |                          |                    |                    |
| General annual grant (GAG)             | -                          | 17,646,869               | 17,646,869         | 17,017,970         |
| Other DfE group grants                 | -                          | 2,378,426                | 2,378,426          | 1,868,880          |
|  | -                          | 20,025,295               | 20,025,295         | 18,886,850         |
| <b>Other government grants</b>         |                            |                          |                    |                    |
| Local authority grants                 | -                          | 1,214,638                | 1,214,638          | 1,308,611          |
| Other incoming resources               | -                          | 16,300                   | 16,300             | 32,926             |
| <b>Exceptional government funding</b>  |                            |                          |                    |                    |
| Coronavirus Job Retention Scheme grant | -                          | 101,122                  | 101,122            | -                  |
| Coronavirus exceptional support        | -                          | 235,992                  | 235,992            | -                  |
|  | -                          | 21,593,347               | 21,593,347         | 20,228,387         |

The Academy Trust has been eligible to claim additional funding in the year from Government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £235,992 of additional cleaning and free school meals costs. These costs are included in notes 7 and 8 below as appropriate.

- The Trust furloughed its catering, out of school clubs and sports centre staff under the Government's CJRS. The funding received of £101,122 relates to staff costs in respect of 38 staff which are included within note 9 below as appropriate.

The income from funding for educational operations was £21,593,347 (2019: £20,228,387) of which £21,593,347 was restricted (2019: £20,228,387).

#### 5 Other Trading Activities

| Notes              | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|--------------------|----------------------------|--------------------------|--------------------|--------------------|
| Hire of facilities | 61,437                     | -                        | 61,437             | 117,340            |
| Catering income    | 362,263                    | -                        | 362,263            | 503,993            |
| Music tuition      | 68,921                     | -                        | 68,921             | 70,681             |
| Other income       | 1,535,472                  | -                        | 1,535,472          | 1,561,228          |
|                    | 2,028,093                  | -                        | 2,028,093          | 2,253,242          |

The income from other trading activities was £2,028,093 (2019: £2,253,242) of which £2,028,093 was unrestricted (2019: £2,253,242).

#### 6 Investment income

| Notes                             | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|-----------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Interest from short term deposits | 1,835                      | -                        | 1,835              | 962                |

The income from funding for investment income was £1,835 (2019: £962) of which £1,835 was unrestricted (2019: £962).

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 7 Expenditure

|   | Non-Pay Expenditure |                  |                  | Total<br>2020<br>£ | Total<br>2019<br>£ |
|---|---------------------|------------------|------------------|--------------------|--------------------|
|   | Staff costs<br>£    | Premises<br>£    | Other<br>£       |                    |                    |
| Academy's educational operations  |                     |                  |                  |                    |                    |
| - Direct costs  | 16,937,759          | 933,833          | 1,240,634        | 19,112,226         | 17,876,296         |
| - Allocated support costs   | <u>3,440,180</u>    | <u>688,704</u>   | <u>2,704,459</u> | <u>6,833,343</u>   | <u>6,712,567</u>   |
| Total costs   | <u>20,377,939</u>   | <u>1,622,537</u> | <u>3,945,093</u> | <u>25,945,569</u>  | <u>24,588,863</u>  |
| <b>Net expenditure for the year includes:</b>   |                     |                  |                  | <b>Total 2020</b>  | <b>Total 2019</b>  |
|   |                     |                  |                  | £                  | £                  |
| Operating lease rentals   |                     |                  |                  | 117,876            | 53,780             |
| Depreciation of tangible fixed assets   |                     |                  |                  | 1,219,473          | 1,039,522          |
| Net interest on defined benefit pension liability   |                     |                  |                  | 149,000            | 146,000            |
| Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows: |                     |                  |                  |                    |                    |
| - Audit   |                     |                  |                  | 35,225             | 34,500             |
| - Other services  |                     |                  |                  | -                  | 8,055              |

#### 8 Charitable Activities

|                                       | Total<br>2020<br>£ | Total<br>2019<br>£ |
|---------------------------------------|--------------------|--------------------|
| <b>Direct costs</b>                   |                    |                    |
| Educational operations – unrestricted | 2,097,303          | 2,340,865          |
| Educational operations – restricted   | 17,008,333         | 15,528,881         |
| <b>Support costs</b>                  |                    |                    |
| Educational operations – restricted   | <u>6,833,343</u>   | <u>6,712,567</u>   |
|                                       | <u>25,938,979</u>  | <u>24,582,313</u>  |

The expenditure on charitable activities was £25,938,979 (2019: £24,582,313) of which £2,097,303 was unrestricted (2019: £2,340,865), £22,684,347 was restricted (2019: £22,241,448) and £1,157,329 was restricted fixed assets (2019: £1,039,522).

|                                  | Total<br>2020<br>£ | Total<br>2019<br>£ |
|----------------------------------|--------------------|--------------------|
| <b>Analysis of support costs</b> |                    |                    |
| Support staff costs              | 3,440,180          | 3,216,921          |
| Depreciation                     | 341,460            | 40,806             |
| Technology costs                 | 194,191            | 166,681            |
| Premises costs                   | 688,704            | 840,571            |
| Legal costs - other              | 15,328             | -                  |
| Other support costs              | 1,984,950          | 2,241,757          |
| Governance costs                 | <u>168,530</u>     | <u>205,831</u>     |
|                                  | <u>6,833,343</u>   | <u>6,712,567</u>   |

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Staff

|  | Total<br>2020<br>£ | Total<br>2019<br>£ |
|--|--------------------|--------------------|
| <b>Staff costs</b>                     |                    |                    |
| Staff costs during the year were:      |                    |                    |
| Wages and salaries                     | 14,871,954         | 14,116,718         |
| Social security costs                  | 1,350,738          | 1,264,452          |
| Pension costs                          | 4,027,221          | 3,070,859          |
| Staff costs                            | 20,249,913         | 18,452,029         |
| Agency staff costs                     | 100,425            | 124,493            |
| Staff restructuring costs              | 27,601             | -                  |
| Total staff expenditure                | <u>20,377,939</u>  | <u>18,576,522</u>  |
| Staff restructuring costs<br>comprise: |                    |                    |
| Redundancy payments                    |                    | -                  |
| Non-contractual severance payments     | 27,601             | -                  |
|  | <u>27,601</u>      | <u>-</u>           |

### Non statutory/ non-contractual staff severance payments

Individual payments for non-statutory/ non-contractual payments were £27,601 (2019: £nil).

### Staff numbers

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

|                            | 2020<br>Number | 2019<br>Number |
|----------------------------|----------------|----------------|
| Teachers                   | 265            | 262            |
| Administration and support | 368            | 343            |
| Management                 | 41             | 45             |
|                            | <u>674</u>     | <u>650</u>     |

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 9 Staff (continued)

##### Higher paid staff

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

|                     | 2020<br>Number | 2019<br>Number |
|---------------------|----------------|----------------|
| £60,001 - £70,000   | 5              | 5              |
| £70,001 - £80,000   | 6              | 4              |
| £80,001 - £90,000   | 2              | 2              |
| £90,001 - £100,000  | 1              | 1              |
| £100,001 - £110,000 | 1              | 2              |
| £110,000 - £120,000 | 1              | -              |
| £220,001 - £230,000 | 1              | 1              |

##### Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the executive leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £929,398 (2019: £853,198).

#### 10 Central Services

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

- Executive leadership;
- Chief Financial Officer and Finance Support;
- Payroll;
- HR;
- Safeguarding;
- Legal and professional services;
- IT service; and
- School Improvement

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

- Between 7% and 8% of GAG income

The amounts charged during the year were as follows:

|  | 2020<br>£        | 2019<br>£        |
|--|------------------|------------------|
| Endsleigh Holy Child Voluntary Catholic Academy      | 87,150           | 81,478           |
| St Mary Queen of Martyrs' Voluntary Catholic Academy | 93,785           | 89,217           |
| St Richard's Voluntary Catholic Academy              | 118,173          | 109,640          |
| St Vincent's Voluntary Catholic Academy              | 69,994           | 66,367           |
| St Charles' Voluntary Catholic Academy               | 71,443           | 69,955           |
| St Anthony's Voluntary Catholic Academy              | 79,060           | 74,715           |
| St Thomas More Voluntary Catholic Academy            | 59,934           | 54,944           |
| St Mary's College Voluntary Catholic Academy         | 724,859          | 686,018          |
|  | <u>1,304,398</u> | <u>1,232,334</u> |

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 11 Trustees' Remuneration and Expenses

None of the Trustees were paid remuneration or has received other benefits from any employment with the Academy Trust.

The value of Trustees' remuneration and other benefits was £Nil (2019:£Nil).

During the year ended 31 August 2020, travel and subsistence expenses totalling £Nil (2019: £Nil) were reimbursed or paid directly to nil Trustees (2019: Nil).

Other related party transactions involving the Trustees are set out in note 25.

#### 12 Trustees and Officer's Insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2020 was £9,120 (2019: £8,960). The cost of this insurance is included in the total insurance cost.

#### 13 Tangible Fixed Assets Group

|                                    | Leasehold<br>land and<br>buildings<br>£ | Computer<br>equipment<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Total<br>£        |
|------------------------------------|---|----------------------------|---|-------------------|
| <b>Cost</b>                        |   |                            |   |                   |
| At 1 September 2019                | 32,151,234                              | 928,824                    | 611,206                                     | 33,691,264        |
| Additions                          | 96,370                                  | 328,602                    | 115,209                                     | 540,181           |
| Disposals                          | (125,000)                               | -                          | -   | (125,000)         |
| At 31 August 2020                  | 32,122,604                              | 1,257,426                  | 726,415                                     | 34,106,445        |
| <b>Depreciation and Impairment</b> |   |                            |   |                   |
| At 1 September 2019                | 4,285,350                               | 235,496                    | 353,747                                     | 4,874,593         |
| Charge for the year                | 875,607                                 | 271,807                    | 72,059                                      | 1,219,473         |
| Elimination on disposal            | (125,000)                               | -                          | -   | (125,000)         |
| At 31 August 2020                  | 5,035,957                               | 507,303                    | 425,806                                     | 5,969,066         |
| <b>Carrying amount</b>             |   |                            |   |                   |
| At 31 August 2020                  | <u>27,086,647</u>                       | <u>750,123</u>             | <u>300,609</u>                              | <u>28,137,379</u> |
| At 31 August 2019                  | <u>27,865,884</u>                       | <u>693,328</u>             | <u>257,459</u>                              | <u>28,816,671</u> |

During the year ended 31 August 2019, impairment related to a building on the site of St Mary's College which was being demolished at the year-end and which is now reflected in the disposals above. It was demolished in order to make way for a new building which will not be ready for use by the Trust until the autumn term of the 2020/2021 academic year.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 13 Tangible Fixed Assets (continued) Trust

|                                      | Leasehold<br>land and<br>buildings | Computer<br>Equipment | Fixtures,<br>fittings and<br>equipment | Total             |
|--------------------------------------|------------------------------------|-----------------------|--|-------------------|
|                                      | £                                  | £                     | £                                      | £                 |
| <b>Cost</b>                          |                                    |                       |  |                   |
| At 1 September 2019                  | 29,224,757                         | 928,824               | 377,066                                | 30,530,647        |
| Additions                            | 96,370                             | 328,602               | 115,209                                | 540,181           |
| Disposals                            | (125,000)                          | -                     | -                                      | (125,000)         |
| At 31 August 2020                    | 29,196,127                         | 1,257,426             | 492,275                                | 30,945,828        |
| <b>Depreciation &amp; impairment</b> |                                    |                       |  |                   |
| At 1 September 2019                  | 1,944,073                          | 235,496               | 127,246                                | 2,306,815         |
| Charge for the year                  | 729,307                            | 271,807               | 70,131                                 | 1,071,245         |
| Elimination on disposal              | (125,000)                          | -                     | -                                      | (125,000)         |
| At 31 August 2020                    | 2,548,380                          | 507,303               | 197,377                                | 3,253,060         |
| <b>Net book value</b>                |                                    |                       |  |                   |
| At 31 August 2020                    | <u>26,647,747</u>                  | <u>750,123</u>        | <u>294,898</u>                         | <u>27,692,768</u> |
| At 31 August 2019                    | <u>27,280,684</u>                  | <u>693,328</u>        | <u>249,820</u>                         | <u>28,223,832</u> |

A valuation of the buildings was undertaken on a depreciated replacement cost basis by Sanderson Weatherall, Chartered Surveyors. A summary of the valuation is included below.

Included within leasehold land and buildings is £7,585,150 (2019: £7,647,852) relating to long leasehold land.

Where the land and buildings, including the value of the continuing right to use Diocese land and buildings at St Cuthbert's Roman Catholic Academy Trust are operated from is owned by the local authority and Diocese, the occupancy is made available to use under the terms of supplemental agreements. The substance of these arrangements is such that St Cuthbert's Roman Catholic Academy Trust is able to obtain future economic benefit from use of the assets. The land and buildings are therefore recognised in the balance sheet at fair value at the time of conversion.

Included within land and buildings are the following items stated at fair value:

| Description   | Effective date | Value of<br>land<br>£ | Value of<br>buildings<br>£ | Carrying value<br>if held under the<br>cost model<br>£ |
|---|----------------|-----------------------|----------------------------|--|
| St Mary Queen of Martyrs Voluntary Catholic Academy | 15 May 2014    | 215,000               | 750,000                    | -  |
| Endsleigh Holy Child Voluntary Catholic Academy     | 15 May 2014    | 365,000               | 695,000                    | -  |
| St Vincent's Voluntary Catholic Academy             | 15 May 2014    | 150,000               | 640,000                    | -  |
| St Richard's Voluntary Catholic Academy             | 15 May 2014    | 685,000               | 1,465,000                  | -  |
| St Mary's College Voluntary Catholic Academy        | 1 October 2017 | 4,915,000             | 13,235,000                 | -  |
| St Anthony's Voluntary Catholic Academy             | 1 October 2017 | 155,000               | 865,000                    | -  |
| St Thomas More Voluntary Catholic Academy           | 1 October 2017 | 880,000               | 1,340,000                  | -  |
| St Charles' Voluntary Catholic Academy              | 1 October 2017 | 440,000               | 700,000                    | -  |

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 14 Debtors

|                                | Group<br>2020<br>£ | Trust<br>2020<br>£ | Group<br>2019<br>£ | Trust<br>2019<br>£ |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|
| Trade debtors                  | 115,588            | 122,012            | 50,283             | 50,283             |
| Other debtors                  | 437,558            | 437,004            | 589,483            | 581,088            |
| Prepayments and accrued income | 412,366            | 411,050            | 443,557            | 440,946            |
|                                | <u>965,512</u>     | <u>970,066</u>     | <u>1,083,323</u>   | <u>1,072,317</u>   |

#### 15 Creditors: amounts falling due within one year

|  | Group<br>2020<br>£ | Trust<br>2020<br>£ | Group<br>2019<br>£ | Trust<br>2019<br>£ |
|--|--------------------|--------------------|--------------------|--------------------|
| Trade creditors                            | 709,908            | 707,963            | 792,837            | 787,834            |
| Amounts owed to subsidiary undertakings    | -                  | 41,729             | -                  | -                  |
| Other taxation and social security         | 329,368            | 329,368            | 313,195            | 311,108            |
| Other creditors                            | 371,893            | 371,893            | 293,629            | 293,629            |
| Accruals and deferred income (see note 16) | 294,976            | 292,857            | 357,612            | 356,649            |
|  | <u>1,706,145</u>   | <u>1,743,810</u>   | <u>1,757,273</u>   | <u>1,749,220</u>   |

Deferred income at the period end is made up of Universal Infant Free School Meal funding for the period September 2020 to March 2021 and rates relief for the same period.

#### 16 Deferred income (Group and Trust)

|  | 2020<br>£             | 2019<br>£             |
|--|-----------------------|-----------------------|
| Deferred income is included within:      |                       |                       |
| Creditors due within one year            | <u>183,890</u>        | <u>197,034</u>        |
| Deferred income at 1 September 2019      | 197,034               | 186,586               |
| Released from previous years             | (197,034)             | (186,586)             |
| Resources deferred in the year           | <u>183,890</u>        | <u>197,034</u>        |
| <b>Deferred income at 31 August 2020</b> | <u><u>183,890</u></u> | <u><u>197,034</u></u> |

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 17 Creditors: amounts falling after more than one year

|                 | Group<br>2020<br>£ | Trust<br>2020<br>£ | Group<br>2019<br>£ | Trust<br>2019<br>£ |
|-----------------|--------------------|--------------------|--------------------|--------------------|
| Other creditors | <u>37,752</u>      | <u>37,752</u>      | <u>42,154</u>      | <u>42,154</u>      |
|                 | <u>37,752</u>      | <u>37,752</u>      | <u>42,154</u>      | <u>42,154</u>      |

Included within other creditors is an amount due of £42,752, with £5,000 due within the year, (2019: £52,154) to the Diocese of Middlesbrough repayable at £5,000 per annum.

#### 18 Funds Group

|                                     | Balance at<br>1 September<br>2019<br>£ | Income<br>£       | Expenditure<br>£    | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2020<br>£ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                   |                     |  |                                      |
| General Annual Grant (GAG)          | -                                      | 17,646,869        | (17,646,869)        | -                                      | -                                    |
| Other DfE / ESFA grants             | -                                      | 2,378,426         | (2,378,426)         | -                                      | -                                    |
| Other government grants             | -                                      | 1,214,638         | (1,214,638)         | -                                      | -                                    |
| Other restricted funds              | -                                      | 353,414           | (353,414)           | -                                      | -                                    |
| Pension reserve                     | (6,949,000)                            | -                 | (1,091,000)         | (2,592,000)                            | (10,632,000)                         |
|                                     | <u>(6,949,000)</u>                     | <u>21,593,347</u> | <u>(22,684,347)</u> | <u>(2,592,000)</u>                     | <u>(10,632,000)</u>                  |
| <b>Restricted fixed asset funds</b> |  |                   |                     |  |                                      |
| Transfer on conversion              | 27,573,830                             | -                 | (912,254)           | -                                      | 26,661,576                           |
| DfE group capital grants            | 475,030                                | 540,178           | (245,075)           | -                                      | 770,133                              |
|                                     | <u>28,048,860</u>                      | <u>540,178</u>    | <u>(1,157,329)</u>  | <u>-</u>                               | <u>27,431,709</u>                    |
| <b>Total restricted funds</b>       | <u>21,099,860</u>                      | <u>22,133,525</u> | <u>(23,841,676)</u> | <u>(2,592,000)</u>                     | <u>16,799,709</u>                    |
| <b>Unrestricted funds</b>           |  |                   |                     |  |                                      |
| General funds                       | 720,947                                | 2,080,620         | (2,103,893)         | -                                      | 697,674                              |
| <b>Total funds</b>                  | <u>21,820,807</u>                      | <u>24,214,145</u> | <u>(25,945,569)</u> | <u>(2,592,000)</u>                     | <u>17,497,383</u>                    |

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 18 Funds (continued) Trust

|                                     | Balance at<br>1 September<br>2019<br>£ | Income<br>£       | Expenditure<br>£    | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2020<br>£ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                   |                     |  |                                      |
| General Annual Grant (GAG)          | -                                      | 17,646,869        | (17,646,869)        | -                                      | -                                    |
| Other DfE / ESFA grants             | -                                      | 2,378,426         | (2,378,426)         | -                                      | -                                    |
| Other government grants             | -                                      | 1,214,638         | (1,214,638)         | -                                      | -                                    |
| Other restricted funds              | -                                      | 353,414           | (353,414)           | -                                      | -                                    |
| Pension reserve                     | (6,949,000)                            | -                 | (1,091,000)         | (2,592,000)                            | (10,632,000)                         |
|                                     | <u>(6,949,000)</u>                     | <u>21,593,347</u> | <u>(22,684,347)</u> | <u>(2,592,000)</u>                     | <u>(10,632,000)</u>                  |
| <b>Restricted fixed asset funds</b> |  |                   |                     |  |                                      |
| Transfer on conversion              | 26,973,495                             | -                 | (771,454)           | -                                      | 26,202,041                           |
| DfE group capital grants            | 475,030                                | 540,178           | (245,075)           | -                                      | 770,133                              |
|                                     | <u>27,448,525</u>                      | <u>540,178</u>    | <u>(1,016,529)</u>  | <u>-</u>                               | <u>26,972,174</u>                    |
| <b>Total restricted funds</b>       | <u>20,499,525</u>                      | <u>22,133,525</u> | <u>(23,700,876)</u> | <u>(2,592,000)</u>                     | <u>16,340,174</u>                    |
| <b>Unrestricted funds</b>           |  |                   |                     |  |                                      |
| General funds                       | <u>677,664</u>                         | <u>2,080,620</u>  | <u>(2,118,926)</u>  | <u>-</u>                               | <u>639,358</u>                       |
| <b>Total funds</b>                  | <u>21,177,189</u>                      | <u>24,214,145</u> | <u>(25,819,802)</u> | <u>(2,592,000)</u>                     | <u>16,979,532</u>                    |

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the Trust's Funding Agreement with the Secretary of State, the Academy Trust was not subject to a limit GAG which could be carried forward at 31 August 2020.

Restricted General Funds are made up of various revenue grants which are defrayed throughout the year on specific educational needs.

Restricted Fixed Asset Funds represent reserves of the charity that are specifically designated for capital.

Unrestricted funds relate to funds generated from individual schools integrating with the Academy Trust and from self-generated income by the Academy Trust.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 18 Funds prior year – Group

|                                     | Balance at<br>1 September<br>2018<br>£ | Income<br>£       | Expenditure<br>£    | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2019<br>£ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                   |                     |  |                                      |
| General Annual Grant (GAG)          | -                                      | 17,017,970        | (17,017,970)        | -                                      | -                                    |
| Other DfE / ESFA grants             | -                                      | 1,868,880         | (1,868,880)         | -                                      | -                                    |
| Other government grants             | -                                      | 1,308,611         | (1,308,611)         | -                                      | -                                    |
| Other restricted funds              | -                                      | 32,926            | (32,926)            | -                                      | -                                    |
| Pension reserve                     | (4,888,000)                            | -                 | (903,000)           | (1,158,000)                            | (6,949,000)                          |
|                                     | <u>(4,888,000)</u>                     | <u>20,228,387</u> | <u>(21,131,387)</u> | <u>(1,158,000)</u>                     | <u>(6,949,000)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                   |                     |  |                                      |
| Transfer on conversion              | 28,670,249                             | -                 | (1,096,419)         | -                                      | 27,573,830                           |
| DfE group capital grants            | 28,368                                 | 453,754           | (7,092)             | -                                      | 475,030                              |
|                                     | <u>28,698,617</u>                      | <u>453,754</u>    | <u>(1,103,511)</u>  | <u>-</u>                               | <u>28,048,860</u>                    |
| <b>Total restricted funds</b>       | <u>23,810,617</u>                      | <u>20,682,141</u> | <u>(22,234,898)</u> | <u>(1,158,000)</u>                     | <u>21,099,860</u>                    |
| <b>Unrestricted funds</b>           |  |                   |                     |  |                                      |
| General funds                       | <u>647,826</u>                         | <u>2,427,086</u>  | <u>(2,353,965)</u>  | <u>-</u>                               | <u>720,947</u>                       |
| <b>Total funds</b>                  | <u>24,458,443</u>                      | <u>23,109,227</u> | <u>(24,588,863)</u> | <u>(1,158,000)</u>                     | <u>21,820,807</u>                    |
| <b>Funds prior year – Trust</b>     |  |                   |                     |  |                                      |
|                                     | Balance at<br>1 September<br>2018<br>£ | Income<br>£       | Expenditure<br>£    | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2019<br>£ |
| <b>Restricted general funds</b>     |  |                   |                     |  |                                      |
| General Annual Grant (GAG)          | -                                      | 17,017,970        | (17,017,970)        | -                                      | -                                    |
| Other DfE / ESFA grants             | -                                      | 1,868,880         | (1,868,880)         | -                                      | -                                    |
| Other government grants             | -                                      | 1,308,611         | (1,308,611)         | -                                      | -                                    |
| Other restricted funds              | -                                      | 32,926            | (32,926)            | -                                      | -                                    |
| Pension reserve                     | (4,888,000)                            | -                 | (903,000)           | (1,158,000)                            | (6,949,000)                          |
|                                     | <u>(4,888,000)</u>                     | <u>20,228,387</u> | <u>(21,131,387)</u> | <u>(1,158,000)</u>                     | <u>(6,949,000)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                   |                     |  |                                      |
| Transfer on conversion              | 27,929,114                             | -                 | (955,619)           | -                                      | 26,973,495                           |
| DfE group capital grants            | 28,368                                 | 453,754           | (7,092)             | -                                      | 475,030                              |
|                                     | <u>27,957,482</u>                      | <u>453,754</u>    | <u>(962,711)</u>    | <u>-</u>                               | <u>27,448,525</u>                    |
| <b>Total restricted funds</b>       | <u>23,069,482</u>                      | <u>20,682,141</u> | <u>(22,094,098)</u> | <u>(1,158,000)</u>                     | <u>20,499,525</u>                    |
| <b>Unrestricted funds</b>           |  |                   |                     |  |                                      |
| General funds                       | <u>601,460</u>                         | <u>2,380,080</u>  | <u>(2,303,876)</u>  | <u>-</u>                               | <u>677,664</u>                       |
| <b>Total funds</b>                  | <u>23,670,942</u>                      | <u>23,062,221</u> | <u>(24,397,974)</u> | <u>(1,158,000)</u>                     | <u>21,177,189</u>                    |

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 18 Funds (Continued)

|   | Group<br>2020<br>£  | Trust<br>2020<br>£  | Group<br>2019<br>£ | Trust<br>2019<br>£ |
|---|---------------------|---------------------|--------------------|--------------------|
| <b>Total funds analysis by academy</b>                |                     |                     |                    |                    |
| Fund balances at 31 August were allocated as follows: |                     |                     |                    |                    |
| Endsleigh Holy Child Voluntary Catholic Academy       | 206,716             | 206,716             | 210,249            | 210,249            |
| St Mary Queen of Martyrs' Voluntary Catholic Academy  | 170,446             | 170,446             | 199,866            | 199,866            |
| St Richard's Voluntary Catholic Academy               | 812                 | 812                 | (11,849)           | (11,849)           |
| St Vincent's Voluntary Catholic Academy               | 113,760             | 113,760             | 133,162            | 133,162            |
| St Charles' Voluntary Catholic Academy                | 109,004             | 109,004             | 118,965            | 118,965            |
| St Anthony's Voluntary Catholic Academy               | 126,419             | 126,417             | 138,569            | 138,569            |
| St Thomas More Voluntary Catholic Academy             | (120,834)           | (120,834)           | (129,862)          | (129,862)          |
| St Mary's College Voluntary Catholic Academy          | 33,037              | 33,037              | 18,564             | 18,564             |
| St Mary's College Sports Development Company          | 58,314              | -                   | 43,283             | -                  |
| Central services                                      | -                   | -                   | -                  | -                  |
| Total before fixed assets fund and pension reserve    | <u>697,674</u>      | <u>639,358</u>      | <u>720,947</u>     | <u>677,664</u>     |
| Restricted fixed asset fund                           | 27,431,709          | 26,972,174          | 28,048,860         | 27,448,525         |
| Pension reserve                                       | <u>(10,632,000)</u> | <u>(10,632,000)</u> | <u>(6,949,000)</u> | <u>(6,949,000)</u> |
| Total funds   | <u>17,497,383</u>   | <u>16,979,532</u>   | <u>21,820,807</u>  | <u>21,177,189</u>  |

The above funds in deficit are being closely monitored by management. Income and costs are being reviewed with the aim of returning the school's funds to a surplus within two academic years.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 18 Funds (continued)

#### Total cost analysis by academy – group

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

|  | Teaching and<br>educational<br>support staff | Other support<br>staff costs | Educational<br>supplies | Other costs<br>excluding<br>depreciation | Total<br>2020     | Total<br>2019     |
|--|--|------------------------------|-------------------------|--|-------------------|-------------------|
|  | £  | £                            | £                       | £  | £                 | £                 |
| Endsleigh Holy Child Voluntary Catholic Academy      | 925,414                                      | 116,430                      | 56,327                  | 137,608                                  | 1,235,779         | 1,306,611         |
| St Mary Queen of Martyrs' Voluntary Catholic Academy | 1,184,564                                    | 161,656                      | 48,952                  | 152,768                                  | 1,547,940         | 1,535,604         |
| St Richard's Voluntary Catholic Academy              | 1,282,150                                    | 179,478                      | 60,590                  | 196,644                                  | 1,718,862         | 1,747,540         |
| St Vincent's Voluntary Catholic Academy              | 698,705                                      | 117,004                      | 42,113                  | 127,183                                  | 985,005           | 990,658           |
| St Charles' Voluntary Catholic Academy               | 706,431                                      | 135,918                      | 49,331                  | 102,565                                  | 994,245           | 1,015,308         |
| St Anthony's Voluntary Catholic Academy              | 799,701                                      | 105,412                      | 41,713                  | 116,303                                  | 1,063,129         | 1,160,497         |
| St Thomas More Voluntary Catholic Academy            | 727,691                                      | 98,294                       | 47,986                  | 138,176                                  | 1,012,147         | 944,255           |
| St Mary's College Voluntary Catholic Academy         | 9,862,338                                    | 1,399,662                    | 376,320                 | 1,489,089                                | 13,127,409        | 12,139,551        |
| St Mary's Sports Development Company                 | -  | -                            | -                       | 129,690                                  | 129,690           | 154,828           |
| Central services                                     | 750,764                                      | 421,082                      | 72,144                  | 579,900                                  | 1,823,890         | 1,538,468         |
| Non attributable pension costs                       | -  | 942,000                      | -                       | 149,000                                  | 1,091,000         | 903,000           |
|  | <u>16,937,758</u>                            | <u>3,676,936</u>             | <u>795,476</u>          | <u>3,454,366</u>                         | <u>24,726,096</u> | <u>23,436,320</u> |

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 18 Funds (continued)

#### Total cost analysis by academy - Trust

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

|  | Teaching and educational | Other support staff costs | Educational supplies | Other costs excluding depreciation | Total 2020        | Total 2019        |
|--|--------------------------|---------------------------|----------------------|------------------------------------|-------------------|-------------------|
|  | £                        | £                         | £                    | £                                  | £                 |                   |
| Endsleigh Holy Child Voluntary Catholic Academy      | 925,414                  | 116,430                   | 56,327               | 137,608                            | 1,235,779         | 1,306,611         |
| St Mary Queen of Martyrs' Voluntary Catholic Academy | 1,184,564                | 161,656                   | 48,952               | 152,768                            | 1,547,940         | 1,535,604         |
| St Richard's Voluntary Catholic Academy              | 1,282,150                | 179,478                   | 60,590               | 196,644                            | 1,718,862         | 1,747,540         |
| St Vincent's Voluntary Catholic Academy              | 698,705                  | 117,004                   | 42,113               | 127,183                            | 985,005           | 990,658           |
| St Charles' Voluntary Catholic Academy               | 706,431                  | 135,918                   | 49,331               | 102,565                            | 994,245           | 1,015,308         |
| St Anthony's Voluntary Catholic Academy              | 799,701                  | 105,412                   | 41,713               | 116,303                            | 1,063,129         | 1,160,497         |
| St Thomas More Voluntary Catholic Academy            | 727,691                  | 98,294                    | 47,986               | 138,176                            | 1,012,147         | 944,255           |
| St Mary's College Voluntary Catholic Academy         | 9,862,338                | 1,399,662                 | 376,320              | 1,489,089                          | 13,127,409        | 12,139,551        |
| Central Services                                     | 750,764                  | 421,082                   | 72,144               | 579,900                            | 1,823,890         | 1,538,468         |
| Non attributable pension costs                       | -                        | 942,000                   | -                    | 149,000                            | 1,091,000         | 903,000           |
|  | <u>16,937,758</u>        | <u>3,676,936</u>          | <u>795,476</u>       | <u>3,189,236</u>                   | <u>24,599,406</u> | <u>23,281,492</u> |

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 19 Analysis of Net Assets between Funds Group

|   | Unrestricted<br>Funds<br>£ | Restricted<br>General<br>Funds<br>£ | Restricted<br>Fixed<br>Asset<br>Funds<br>£ | Total<br>Funds<br>£ |
|---|----------------------------|-------------------------------------|--|---------------------|
| <b>Fund balances at 31 August 2020 are represented by</b> |                            |                                     |  |                     |
| Tangible fixed assets                                     | 861,517                    | -                                   | 27,275,862                                 | 28,137,379          |
| Current assets  | 260,620                    | 1,319,434                           | 155,847                                    | 1,735,901           |
| Creditors falling due within one year                     | (424,463)                  | (1,281,682)                         | -  | (1,706,145)         |
| Creditors falling due after one year                      | -                          | (37,752)                            | -  | (37,752)            |
| Defined benefit pension liability                         | -                          | (10,632,000)                        | -  | (10,632,000)        |
| <b>Total net assets</b>                                   | <u>697,674</u>             | <u>(10,632,000)</u>                 | <u>27,431,709</u>                          | <u>17,497,383</u>   |

#### Analysis of net assets between funds Trust

#### Fund balances at 31 August 2020 are represented by:

|                                       |                |                     |                   |                   |
|---------------------------------------|----------------|---------------------|-------------------|-------------------|
| Tangible fixed assets                 | 876,441        | -                   | 26,816,327        | 27,692,768        |
| Current assets                        | 170,950        | 1,373,529           | 155,847           | 1,700,326         |
| Creditors falling due within one year | (408,033)      | (1,335,777)         | -                 | (1,743,810)       |
| Creditors falling due after one year  | -              | (37,752)            | -                 | (37,752)          |
| Defined benefit pension liability     | -              | (10,632,000)        | -                 | (10,632,000)      |
| <b>Total net assets</b>               | <u>639,358</u> | <u>(10,632,000)</u> | <u>26,972,174</u> | <u>16,979,532</u> |

#### Analysis of net assets between funds Group – prior year

|                                       |                |                    |                   |                   |
|---------------------------------------|----------------|--------------------|-------------------|-------------------|
| Tangible fixed assets                 | 767,811        | -                  | 28,048,860        | 28,816,671        |
| Current assets                        | 170,993        | 1,222,454          | 359,116           | 1,752,563         |
| Creditors falling due within one year | (217,857)      | (1,180,300)        | (359,116)         | (1,757,273)       |
| Creditors due after one year          | -              | (42,154)           | -                 | (42,154)          |
| Defined benefit pension liability     | -              | (6,949,000)        | -                 | (6,949,000)       |
| <b>Total net assets</b>               | <u>720,947</u> | <u>(6,949,000)</u> | <u>28,048,860</u> | <u>21,820,807</u> |

#### Analysis of net assets between funds Trust – prior year

|                                       |                |                    |                   |                   |
|---------------------------------------|----------------|--------------------|-------------------|-------------------|
| Tangible fixed assets                 | 775,307        | -                  | 27,448,525        | 28,223,832        |
| Current assets                        | 170,993        | 1,163,622          | 359,116           | 1,693,731         |
| Creditors falling due within one year | (268,636)      | (1,121,468)        | (359,116)         | (1,749,220)       |
| Creditors due after one year          | -              | (42,154)           | -                 | (42,154)          |
| Defined benefit pension liability     | -              | (6,949,000)        | -                 | (6,949,000)       |
| <b>Total net assets</b>               | <u>677,664</u> | <u>(6,949,000)</u> | <u>27,448,525</u> | <u>21,177,189</u> |

#### 20 Contingent Liabilities

In the St Mary's College Sports Development Company, in the event of the leasehold property being disposed of before October 2024 the grant received from Sports England amounting to £2,473,884 may be repayable and VAT recovered of £513,692 may be repayable.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 21 Commitments under Operating Leases

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

|  | Group<br>2020<br>£ | Trust<br>2020<br>£ | Group<br>2019<br>£ | Trust<br>2019<br>£ |
|--|--------------------|--------------------|--------------------|--------------------|
| Amounts due within one year            | 153,808            | 153,808            | 108,006            | 108,006            |
| Amounts due between one and five years | 204,629            | 204,629            | 209,582            | 209,582            |
|  | <u>358,437</u>     | <u>358,437</u>     | <u>317,588</u>     | <u>317,588</u>     |

#### 22a Reconciliation of Net Income to Net Cash Flow from Operating Activities

|  | Group<br>2020<br>£ | Trust<br>2020<br>£ | Group<br>2019<br>£ | Trust<br>2019<br>£ |
|--|--------------------|--------------------|--------------------|--------------------|
| Net income for the reporting period (as per statement of financial activities) | (1,731,424)        | (1,605,657)        | (1,479,636)        | (1,335,754)        |
| Capital grants from DfE/ESFA   | (510,178)          | (540,178)          | (94,638)           | (94,638)           |
| Interest receivable  | (1,835)            | (1,835)            | (962)              | (962)              |
| Defined pension benefit scheme cost less contributions payable                 | 942,000            | 942,000            | 757,000            | 757,000            |
| Defined benefit pension scheme finance cost                                    | 149,000            | 149,000            | 146,000            | 146,000            |
| Depreciation and impairment  | 1,219,473          | 1,071,245          | 1,152,543          | 1,003,516          |
|  | <u>37,036</u>      | <u>14,575</u>      | <u>480,307</u>     | <u>475,162</u>     |
| Decrease/(Increase)/ in debtors  | (241,305)          | (256,865)          | (511,316)          | (479,243)          |
| (Decrease)/Increase in creditors   | (55,530)           | (9,812)            | 78,784             | 81,648             |
| Net cash (used in)/ provided by operating activities                           | <u>(259,799)</u>   | <u>(252,102)</u>   | <u>47,775</u>      | <u>77,567</u>      |

#### 22b Analysis of Changes in Net Funds

|  | At 1<br>September<br>2019<br>£ | Cash<br>flows<br>£ | Other<br>non-cash<br>changes<br>£ | At 31<br>August<br>2020<br>£ |
|--|--------------------------------|--------------------|-----------------------------------|------------------------------|
| <b>Cash</b>                                |                                |                    |                                   |                              |
| Cash equivalents                           | 669,240                        | 101,149            | -                                 | 770,389                      |
|  | <u>669,240</u>                 | <u>101,149</u>     | <u>-</u>                          | <u>770,389</u>               |
| Loans falling due within one year          | (5,000)                        | -                  | -                                 | (5,000)                      |
| Loans falling due after more than one year | (42,154)                       | 4,402              | -                                 | (37,752)                     |
| <b>Total</b>                               | <u>622,086</u>                 | <u>105,551</u>     | <u>-</u>                          | <u>727,637</u>               |

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 23 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.

#### 24 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 East Riding Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and of the LGPS 31 March 2019.

Contributions amounting to £360,550 (2019 - £280,078) were payable to the schemes at 31 August and are included within creditors.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer. The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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 was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuation and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

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

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

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

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

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 24 Pension and Similar Obligations (Continued)

The employer's pension costs paid to the TPS in the period amounted to £2,215,874 (2019: £1,445,863).

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate Trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.8% 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<br>£        | 2019<br>£        |
|--------------------------|------------------|------------------|
| Employer's contributions | 819,000          | 868,000          |
| Employees' contributions | 255,000          | 262,000          |
| Total contributions      | <u>1,074,000</u> | <u>1,130,000</u> |

#### Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2020 by a qualified independent actuary.

|  | 2020<br>%  | 2019<br>%  |
|--|------------|------------|
| Rate of increase in salaries                       | 3.1        | 2.1        |
| Rate of increase for pensions in payment/inflation | 2.2        | 2.1        |
| Discount rate for scheme liabilities               | <u>1.7</u> | <u>2.0</u> |

The assumed life expectations on retirement age 65 are

|                      | 2020<br>Years | 2019<br>Years |
|----------------------|---------------|---------------|
| Retiring today       |               |               |
| - Males              | 20.9          | 20.8          |
| - Females            | 23.3          | 23.3          |
| Retiring in 20 years |               |               |
| - Males              | 21.8          | 22.0          |
| - Females            | <u>24.8</u>   | <u>24.9</u>   |

#### The Academy Trust's share of the assets in the scheme

|                            | 2020<br>£        | 2019<br>£        |
|----------------------------|------------------|------------------|
| Equities                   | 6,012,000        | 5,774,000        |
| Bonds                      | 1,457,000        | 1,220,000        |
| Cash                       | 546,000          | 244,000          |
| Property                   | <u>1,094,000</u> | <u>895,000</u>   |
| Total fair value of assets | <u>9,109,000</u> | <u>8,133,000</u> |

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 24 Pension and similar obligations (Continued)

The actual return on scheme assets was £40,000 (2019: £321,000).

#### Amount recognised in the Statement of Financial Activities

|                        | 2020             | 2019             |
|------------------------|------------------|------------------|
|                        | £                | £                |
| Current service cost   | 1,761,000        | 1,581,000        |
| Net interest cost      | 149,000          | 146,000          |
| Past service cost      | -                | 44,000           |
|                        | <u>-</u>         | <u>44,000</u>    |
| Total operating charge | <u>1,910,000</u> | <u>1,771,000</u> |

#### Changes in the present value of defined benefit obligations

|                        | 2020              | 2019              |
|------------------------|-------------------|-------------------|
|                        | £                 | £                 |
| At 1 September 2019    | 15,082,000        | 11,644,000        |
| Current service cost   | 1,761,000         | 1,581,000         |
| Interest cost          | 321,000           | 350,000           |
| Employee contributions | 255,000           | 262,000           |
| Actuarial loss         | 2,460,000         | 1,275,000         |
| Benefits paid          | (138,000)         | (74,000)          |
| Past service cost      | -                 | 44,000            |
|                        | <u>-</u>          | <u>44,000</u>     |
| At 31 August 2020      | <u>19,741,000</u> | <u>15,082,000</u> |

#### Changes in the fair value of the Academy Trust's share of scheme assets

|   | 2020             | 2019             |
|---|------------------|------------------|
|   | £                | £                |
| At 1 September 2019   | 8,133,000        | 6,756,000        |
| Interest income   | 172,000          | 204,000          |
| Return on plan assets (excl. net interest on net defined benefit pension liability) | (132,000)        | 117,000          |
| Employer contributions  | 819,000          | 868,000          |
| Employee contributions  | 255,000          | 262,000          |
| Benefits paid   | (138,000)        | (74,000)         |
|   | <u>(138,000)</u> | <u>(74,000)</u>  |
| At 31 August 2020   | <u>9,109,000</u> | <u>8,133,000</u> |

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 25 Related Party Transactions

C Fearnley spouse of P Fearnley, chair of the board, is employed by the Academy Trust as a teaching assistant. The appointment was made in open competition and Trustee was not involved in the decision-making process regarding appointment.

L Fearnley the mother of P Fearnley, chair of the board, is employed by the Academy Trust as a teacher. The appointment was made in open competition and Trustee was not involved in the decision-making process regarding appointment.

M Ward the son of A Ward, a Trustee, is employed by the Academy Trust as a teacher. The appointment was made in open competition and Trustee was not involved in the decision-making process regarding appointment.

All transactions involving related parties or connected parties are conducted at arm's length and in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made after 1 April 2019 and obtaining their approval where required, the trust's financial regulations and normal procurement procedures, unless otherwise stated.

During the year St Mary's College Sports Development Company, a company controlled by the Trust, provided sports facilities to the Trust totalling £112,104 (2019: £112,966). The Trust also recharged salary and premises cost to the company totalling £86,303 (2019: £104,194).

# **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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## **Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 6 June 2018 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2019 to 2020, to obtain limited assurance about whether the expenditure disbursed and income received by St Cuthbert's Roman Catholic Academy 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.

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.

## **Basis for conclusion**

The framework that has been applied is set out in the Academies Accounts Direction 2019 to 2020 Annex B: Regularity Reporting. We are independent of St Cuthbert's Roman Catholic Academy Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

## **Responsibilities of St Cuthbert's Roman Catholic Academy Trust's accounting officer and Trustees**

The accounting officer is responsible, under the requirements of St Cuthbert's Roman Catholic Academy Trust's funding agreement with the Secretary of State for Education dated May 2014 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed, and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of St Cuthbert's Roman Catholic Academy Trust and appointment of the accounting officer.

## **Reporting Accountant's responsibilities for reporting on regularity**

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2019 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2019 to 2020.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST AND THE  
EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)**

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

**Use of our report**

This report is made solely to St Cuthbert's Roman Catholic Academy Trust and the ESFA in accordance with the terms of our engagement letter dated 6 June 2018. Our work has been undertaken so that we might state to the St Cuthbert's Roman Catholic Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Cuthbert's Roman Catholic Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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Dated: 28/1/2021