

SALOPIA CATHOLIC SCHOOLS TRUST

(A company limited by guarantee)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

Company Registration Number: 09646093 (England and Wales)

SALOPIA CATHOLIC SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 August 2020

Members Diocese of Shrewsbury Education Trust
Canon David Roberts
Canon Jonathan Mitchell
Simon Geary
Philip White

Academy Trustees Mark Cotton (Chair)
Damian Cunningham
Carol Lawrence
Hanif Lula
Canon David Roberts

St Augustine's Catholic Primary School

Head Teacher Nedra Sothern

Principal Registered Office Diocese of Shrewsbury Curial Offices
2 Park Road South
Prenton
Wirral
Merseyside
CH43 4UX

Company Registration Number 09646093 (England and Wales)

Independent Auditor Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers Lloyds Bank plc
Horsemarket Street
Warrington
Cheshire
WA1 1TP

Solicitors Browne Jacobson LLP
Ground Floor
3 Piccadilly Place
Manchester
M1 3BN

SALOPIA CATHOLIC SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 August 2020

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 purpose of both a Trustees' report, and a Directors' report under company law.

The charitable company was incorporated on 18 June 2015 and took over the trade and assets of St Augustine's Catholic Primary School from Halton Local Authority from 29 June 2015.

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 trustees of Salopia Catholic Schools Trust are also the directors of the Charitable Company for the purposes of company law. The charitable company operates as Salopia Catholic Schools Trust.

Details of the Trustees who served throughout the period, and to the date these accounts are approved are included in the Reference and Administrative Details.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect trustees, governors and officers from claims arising due to negligent acts, errors or omissions occurring whilst on academy business. See note 9 for further details.

Principal activities

To advance, for the public benefit, education in the UK.

Method of recruitment and appointment or election of trustees

The Trustees are appointed by the Diocese following a skills audit ensuring that the Board has appropriately qualified and experienced members who will ensure the smooth running of the school.

The Foundation Governors of each School are formally appointed by the Diocese following recommendations from the Diocese Education Service on behalf of the Diocesan Bishop. In carrying out this duty, the Diocesan Education Service shall consult with the Parish Priest who will liaise with the Academy Principal/Head teacher regarding appropriate appointments.

Policies and procedures adopted for the induction and training of trustees

All Trustees and Governors are provided with copies of procedures, minutes, accounts, budget plans and other documents that they will need to undertake their role as trustees and governors.

Organisational structure

The Trustees have overall responsibility and ultimate decision making authority for all the work of the Academy and in order to discharge these responsibilities appoint people who are more locally based to serve on a board (each being a 'Local Governing Body') which has been established to ensure good governance of the Academy. The Directors have delegated various functions to the Local Governing Body through a formal scheme of delegation.

SALOPIA CATHOLIC SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 August 2020

Subject to the provisions of the Scheme of Delegation the Trustees are responsible for setting strategic policy, adopting an annual budget plan, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointment.

The Senior Manager is Mrs Nedra Sothern, who is Head Teacher of St Augustine's. The senior manager controls the Academy at an executive level, implements the policies laid down by the Trustees and reports back to them. The Senior Manager is also responsible for the authorisation of spending within agreed budgets and the appointment of staff.

Arrangements for setting pay and remuneration of key management personnel

The Senior Manager is also the Key Management Personnel and their pay settlements are dealt with in accordance with the Whole School Pay Policy and Appraisal Policy.

Pay ranges are set and increments are only processed within these pay ranges once the governors are satisfied that the policy has been subjected to rigour.

Related parties and other connected charities and organisations

The Academy Trust is part of a wider network of diocesan multi academy trusts which have in common foundation directors and one or more members.

The Academy is also part of the network of diocesan schools who support and assist each other in their mission.

Objectives and Activities

Objects and aims

The Academy Trust's principal object is to advance, for 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 which shall offer a broad and balanced curriculum and shall be conducted as Catholic schools in accordance with the code of Canon Law of the Latin Church from time to time and the doctrinal, social and moral teachings of the Catholic Church from time to time and following the directives and policies issued by the Diocesan Bishop to ensure that the formation, governance and education of the Academy is based on the principles of Catholic doctrine, and at all times serving as a witness to the Catholic faith in Our Lord Jesus Christ.

To promote for the benefit of individuals living in Halton and the surrounding area the provision of facilities by reason of their youth, age, infirmity or disablement, 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 object of improving the condition of life of the said individuals.

The aim of the Academy is to provide a quality education in a caring and disciplined community in line with our ethos.

Objectives, strategies and activities

The main objectives of the Academy during the year ended 31 August 2020 are summarised below:

- To ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care
- To raise the standard of educational achievement of all students
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To conduct the Academy business in accordance with the highest standards of integrity, probity and openness.

SALOPIA CATHOLIC SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 August 2020

Public benefit

The Trustees have considered the Charity Commission's guidance on Public Benefit. The key Public Benefit delivered by the Salopia Catholic Schools Trust is the maintenance and development of the high quality Catholic Education provided by the schools, for over 50 years, to the young people of our parishes.

Achievements and Performance

St Augustine's Catholic Primary School aims to share with the children the richness and depth of the Catholic Family and provide every opportunity to enhance the development of a sense of belonging to the family of God, where each person is valued for who they are and treated with love and dignity. The School offers a welcoming, friendly and loving environment which provides the best possible education and pastoral care for each of the pupils. The school also aims to develop Christian working relationships based upon loyalty, co-operation and mutual respect. It serves the families and parishioners of those living within the boundary of St Augustine's parish, which is part of the Parish of The Divine Saviour, as well as the wider community.

It is a smaller than average primary school where the majority of pupils are of white British heritage. The proportion of pupils from minority ethnic backgrounds is below that seen nationally and very few pupils speak English as an additional language. The proportion of disadvantaged pupils is extremely high as the school is in the top percentile nationally in relation to each of the deprivation indicators, the percentage of children known to be eligible for free school meals and pupils with special educational needs and/or disabilities.

Historically, the attainment of pupils at the end of KS2 is below other schools nationally. Children typically enter school with skills that are far less developed than their peers nationally.

The school, in common with all others, was impacted by the pandemic with the majority of children being home schooled from the lockdown in March 2020 until the end of the academic year. Formal assessments at Key Stage One and Key Stage Two did not take place, having been cancelled by the Department for Education.

The good progress which was achieved at Key Stage One and Key Stage Two in 2019 continued through the first two terms of this year. The attainment of pupils at Key Stage One was sustained, with 90% of children projected to reach the expected standard had assessments continued. Work had continued to achieve national average in reading and writing and the indications were that there had been much improvement.

During the summer term the school found that there was a good take up of remote learning, with the majority of children accessing online lessons as well as resources provided by the school. All vulnerable children have been in close contact with the school.

Numbers on roll continue to increase and are at 120 for the academic year 2020-2021. Alongside this there is now a full, stable complement of staff to support the increased class sizes.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies. Being completely reliant on statutory funding for its operations means that the Trust has had no impact of COVID-19 on its finances and continues to ensure the provision of education to its pupils.

SALOPIA CATHOLIC SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 August 2020

Financial Review

The Statement of Financial Activities ('SOFA') summarises the financial performance of the trust and the balance sheet on page 16 summarises the assets and liabilities of the trust at 31 August 2020.

Most of the Academy's income is obtained from the Government in the form of recurrent grants, the use of which is restricted for particular purposes. The grants received during the year ended 31 August 2020 and associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy has taken on the deficit in the Local Government Pension Schemes in respect of its non-teaching staff transferred on conversion as detailed in the accounts. The Academy share of the deficit represents the amount the Academy would have to contribute if the fund were wound up and its liabilities had to be met at that point. This is reflected in the provisions, and the deficit arising in the year is shown in the Statement of Financial Activities, however at this time there is no intention to wind up the scheme and therefore the Academy does not expect to have to fund this liability. The Academy takes advice on funding levels and would increase contributions if advised to so.

Reserves policy

Trustees review the level of reserves on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments (including future commitments) and the type of reserves.

The Trustees have decided to adopt a prudent approach and aim to hold reserves of at least 5% of income. These reserves will help to mitigate unforeseen business interruptions, assist budgetary pressures over the medium term, provide funds for capital improvements or developments, assist cash flow where payments of the ESFA funding are retrospective and support short-term emergency requirements. This is sound commercial practice designed to safeguard the Trust's business interests and the quality of education at its Academy. As at the year-end, the Trust had no free reserves available.

The net liability of the Trust in the Local Government Pension Scheme and (LGPS) amounts to £306. It should however be noted that an immediate liability for this amount is not crystallised at the financial year end. 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 18th of July 2013. This guarantee provides comfort to the Trustees in the event of an academy closure.

Investment Policy

The Academy operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds.

Fundraising

The Academy Trust has not made any fundraising appeals to the general public during the year. There has been no outsourced fundraising via professional fundraisers or other third parties. As a result, the Academy Trust is not registered with the fundraising regulator and did not receive any fundraising complaints in the year.

SALOPIA CATHOLIC SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 August 2020

Principal risks and uncertainties

The principal risks to the Trust are documented and managed using a risk management policy and a risk register which is regularly reviewed. The Trust has carried out a careful review of the risks and uncertainties it faces in the forthcoming year.

In summary these are viewed as:

Educational

- Potential loss of life or grave illness from COVID-19, contracted during face-to-face teaching in the academy. Mitigation - quality assured risk assessment, regularly reviewed
- Loss of learning from sustained periods of remote learning. Mitigation - robust quality assured remote learning offer, detailed tracking of engagement and follow-up, curriculum redesign, effective Catch-up Premium plans
- IT infrastructure and digital gaps do not support the demands of remote learning. Mitigation - close liaison with IT provider and frequent parental surveys to ensure effective IT provision
- Governors are unable to effectively hold the school to account in a rapidly changing and perilous era. Mitigation - regular and frequent updates with local governing body and regular reports to directors
- The well-being of pupils, teachers and leaders is adversely affected. Mitigation - high quality support for teachers (including regular training), frequent/planned contact with all families to ensure pupil welfare and regular wellbeing check-ins for leaders

Other

- Pressures on growth emanating from Government policy direction for multi academy Trusts to take on additional schools
- Potential loss of reputation and community confidence arising from any drop in standards and academic performance leading to falling rolls
- Budgetary pressures brought about by reduced public sector education spending and funding formula changes
- Impact of changes to school performance measures in terms of curriculum structures
- Failure on high profile school to school support commissions.
- Downgrading of the current OFSTED report for the Trust academy following inspection
- Inability to sufficiently increase pupil numbers at due to local demographic position for the Academy within the Trust
- Sufficiency of accommodation to meet major growth in demand for places
- Erosion of reserves to balance budgets in the short to medium term

Succession planning within Trust governance and leadership

Key controls in place to mitigate these risks include:

- Forensic data and annual examination performance analysis
- Annual school improvement plans at all Academy of the Trust
- Robust self-evaluation procedures and careful monitoring of teaching and learning.
- An organisational structure with clearly defined roles, responsibilities and authorisation levels
- Documented terms of reference and policies for the governance of the Trust,
- Financial planning, budgeting and regular financial reporting to Governors, Sub Committee and detailed scrutiny of financial risk
- Robust due diligence procedures in place for growth of the Trust

SALOPIA CATHOLIC SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 August 2020

Plans for future period

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The Trust will continue to work to raise both the aspirations and outcomes of all its students at whatever age, closing gaps between the performance of different groups, where this is needed, and ensuring that they are able to proceed successfully to the next stage of their education.

Auditor

Haysmacintyre LLP has indicated its willingness to continue in office.

SALOPIA CATHOLIC SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 August 2020

Statement as to disclosure of information to auditors

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

The Trustees' Annual Report is approved by order of the board of trustees is approved by the board of trustees in their capacity as the directors at a meeting on 29 January 2021 and signed in its behalf by:



M Cotton
Director

SALOPIA CATHOLIC SCHOOLS TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 August 2020

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that the Salopia Catholic Schools 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 head teacher, 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 Salopia Catholic Schools 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 five times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of possible
Mark Cotton	5	5
Damian Cunningham	5	5
Carol Lawrence	5	5
Hanif Lula	4	5
Canon David Roberts	3	5

Governance reviews:

The Board of Trustees carried out a review of governance during the year. The Board is aware that it currently has only one school within the MAT of a modest size and feels that it holds the relevant skills in primary education and school improvement, as well as legal and financial expertise to ensure that the Academy is run in an appropriate manner delivering positive outcomes for the pupils. The Board also regularly discusses the likelihood of further schools joining the MAT including a local secondary school. The Board is looking to recruit further members with relevant skills including broader business experience and has approached Academy Ambassadors amongst others for assistance in this to ensure that the Board maintains good governance as the MAT grows and diversifies.

Review of Value for Money

As accounting officer the substantive head teacher 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 trust’s use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Using funds to drive improvements at each key stage, for example by investing in additional support for teaching phonics which has provided improved results and outcomes in reception and Key Stage 1
- Provided additional training for staff in maths and in other areas to improve teaching in all years within the school and again this has shown improved outcomes
- Provided resources to improve physical activity. It is well known that there are health benefits and improvements to learning where children are more physically active.

SALOPIA CATHOLIC SCHOOLS TRUST

GOVERNANCE STATEMENT (continued)

FOR THE YEAR ENDED 31 August 2020

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 the Salopia Catholic Schools Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees commissioned an internal audit to be carried out by Warrington Borough Council. This was issued in September 2020. The report states, in summary, *'There is generally a sound system of internal control designed to achieve objectives, but with a few exceptions.'* This amounted to zero critical issues, 2 high importance issues and 23 medium issues. No major weaknesses were identified and appropriate action is being taken to address the audit's findings. During the year we will be carrying out a risk assessment and creating a multi-year internal audit review plan.

Review of effectiveness

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

- The work of the office manager,
- The work of the external auditor,
- The financial management and governance self-assessment process,
- The work of the organisation supporting the academy's financial management (WPAT).

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

Approved by order of the members of the Board of Trustees on 29 January 2021 and signed on its behalf by:

M Cotton
Director



N Sothern
Accounting Officer



SALOPIA CATHOLIC SCHOOLS TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 August 2020

As Accounting Officer of Salopia Catholic Schools 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 ESFA terms and conditions of funding, under the funding agreement in place between the academy 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 Board of Trustees are able to identify and 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.



N Sothern
Accounting Officer
Date: 29 January 2021

SALOPIA CATHOLIC SCHOOLS TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 August 2020

The Trustees (who act as trustees for charitable activities of Salopia Catholic Schools Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS102) 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 29 January 2021 and signed on its behalf by:



M Cotton
Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SALOPIA CATHOLIC SCHOOLS TRUST

We have audited the financial statements of Salopia Catholic Schools Trust for the year ended 31 August 2020 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 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 academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and 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 academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of governors for the financial statements

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who 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 Governors 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 Governors are responsible for assessing the academy'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 Governors either intend to liquidate the academy's 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: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SALOPIA CATHOLIC SCHOOLS TRUST

Other information

The Governors 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 information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (which includes the directors' 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 included in the Governors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the directors' report).

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.
- the Governors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Governors' report and from the requirement to prepare a strategic report.

Use of our report

This report is made solely to the academy'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 academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Thomas Wilson (Senior Statutory Auditor)
for and behalf of
Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 29 January 2021

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

In accordance with the terms of our engagement letter dated 13 December 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Salopia Catholic Schools Trust during the year ended 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Salopia Catholic Schools Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Salopia Catholic Schools Trust's funding agreement with the Secretary of State for Education dated 30 June 2015 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.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry
- Inspection and review
- Observation and re-performance

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Haysmacintyre LLP

Haysmacintyre LLP
Reporting Accountant
Date: 29 January 2021

10 Queen Street Place
London EC4R 1AG

Salopia Catholic Schools Trust

Statement of Financial Activities
For the year ended 31 August 2020
(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
Income from:						
Donations and capital grants	2	-	-	-	-	11
Voluntary income						
Charitable activities:						
<i>Funding for the academy trust's educational operations</i>	3	-	706	-	706	611
Total		<u>-</u>	<u>706</u>	<u>-</u>	<u>706</u>	<u>622</u>
Expenditure on:						
Charitable activities:						
<i>Academy trust educational operations</i>	5	-	656	8	664	614
Total	4	<u>-</u>	<u>656</u>	<u>8</u>	<u>664</u>	<u>614</u>
Net income/(expenditure) before transfers		-	50	(8)	42	8
Gross transfers between funds	13	-	-	-	-	-
Net income		-	50	(8)	42	8
Other recognised gains and losses						
Actuarial (loss)/gain on defined benefit pension	19	-	(108)	-	(108)	(62)
Net movement in funds		-	(58)	(8)	(66)	(54)
Reconciliation of funds						
Total funds brought forward	13	-	38	15	53	107
Total funds carried forward	13	<u>-</u>	<u>(20)</u>	<u>7</u>	<u>(13)</u>	<u>53</u>

All of the Academy trust's activities derive from continuing operations during the financial periods.

The accompanying notes form part of these accounts.

Salopia Catholic Schools Trust

Balance Sheet
As at 31 August 2020

Company Registration No: 09646093

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible assets	10		7		15
Current assets					
Debtors	11	40		30	
Cash at bank and in hand		319		260	
		<u>359</u>		<u>290</u>	
Liabilities					
Creditors: amounts falling due within one year	12	(73)		(75)	
Net current assets			<u>286</u>	<u>215</u>	
Total assets less current liabilities			293		230
Pension scheme liability	19		(306)		(177)
Net assets including pension liability			<u>(13)</u>		<u>53</u>
Funds of the academy trust:					
Restricted income funds					
Fixed asset fund	13	7		15	
General fund	13	286		215	
Pension reserve	13	(306)		(177)	
Total restricted funds			(13)		53
Unrestricted income funds					
General fund	13	-		-	
Total unrestricted funds			-		-
Total funds			<u>(13)</u>		<u>53</u>

The financial statements were approved by the trustees, and authorised for issue on 29 January 2021 and are signed on their behalf by:

Mark Cotton

Trustee

The accompanying notes form part of these accounts.

Salopia Catholic Schools Trust

Cash Flow Statement
For the year ended 31 August 2020

	Notes	2020 £000	2019 £000
Net cash inflow from operating activities	15	59	2
Cash flow from investing activities	16	-	(4)
Change in cash and cash equivalents in the reporting period		<u>59</u>	<u>(2)</u>
Cash and cash equivalents at 1 September 2019		260	262
Cash and cash equivalents as at the 31 August 2020	17	<u>319</u>	<u>260</u>

Salopia Catholic Schools Trust

Notes to the Financial Statements
For the year ended 31 August 2020

1 Statement of Accounting Policies

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

Basis of Preparation

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

Salopia Catholic Schools Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

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

- **Grants Receivable**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **Donations**

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

- **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Salopia Catholic Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2020

1 Statement of Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Fixtures, fittings and equipment	33% Straight line
Computer equipment	33% Straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Debtors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Liabilities

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

Financial instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Leased assets

Rentals under operating leases are charged on a straight lined basis over the lease term.

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.

Salopia Catholic Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2020

1 Statement of Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and 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 recognised in the period to which they relate.

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

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency and local authorities where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation 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.

Salopia Catholic Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2020

2 Donations and capital grants

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
Capital Grants	-	-	-	-	11
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
DfE / ESFA grants					
General Annual Grant (GAG)	-	480	-	480	463
Other DfE/ESFA grants	-	164	-	164	112
	<u>-</u>	<u>644</u>	<u>-</u>	<u>644</u>	<u>575</u>
Other income	-	62	-	62	36
	<u>-</u>	<u>62</u>	<u>-</u>	<u>62</u>	<u>36</u>
	<u>-</u>	<u>706</u>	<u>-</u>	<u>706</u>	<u>611</u>

All amounts for the comparative year were restricted funds.

Salopia Catholic Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2020

4 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2020 £000	Total 2019 £000
Academy's educational operations					
Direct costs	476	-	74	550	508
Allocated support costs	-	54	60	114	106
	<u>476</u>	<u>54</u>	<u>134</u>	<u>664</u>	<u>614</u>

Expenditure - Comparative period

	Staff Costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2019 £000
Academy's educational operations				
Direct costs	422	-	86	508
Allocated support costs	-	44	62	106
	<u>422</u>	<u>44</u>	<u>148</u>	<u>614</u>

Net income/(expenditure) for the year include:

	2020 £000	2019 £000
Operating leases		
Other	1	1
Fees payable to auditor:		
Audit	11	11
Non-audit services	3	3

5 Charitable Activities

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
Direct costs - educational operations					
Teaching and educational support staff costs	-	476	-	476	422
Depreciation	-	-	8	8	12
Educational supplies	-	27	-	27	22
Other direct costs	-	39	-	39	52
	<u>-</u>	<u>542</u>	<u>8</u>	<u>550</u>	<u>508</u>
Support costs - educational operations					
Technology	-	6	-	6	3
Premises costs	-	54	-	54	44
Transport	-	3	-	3	1
Other support costs	-	35	-	35	35
Pension finance costs	-	3	-	3	3
Governance costs	-	13	-	13	20
	<u>-</u>	<u>114</u>	<u>-</u>	<u>114</u>	<u>106</u>
Total direct and support costs	<u>-</u>	<u>656</u>	<u>8</u>	<u>664</u>	<u>614</u>

All amounts for the comparative year were restricted funds, including £2,000 of Restricted Fixed Assets Funds costs

Salopia Catholic Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2020

6 Staff

a. Staff costs

Staff costs during the period were:

	2020 £000	2019 £000
Wages and salaries	330	282
Social security costs	31	50
Pension costs	98	75
	<u>459</u>	<u>407</u>
Supply staff costs	17	15
	<u>476</u>	<u>422</u>

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2020 No.	2019 No.
Charitable Activities		
Teachers	6	4
Administration and support	9	11
	<u>15</u>	<u>15</u>

c. Higher paid staff

No members of staff earned more than £60,000 in the period (2019: Nil).

The key management personnel of the academy trust comprise the senior leadership team as listed on Page 1. The total amount of employee benefits received by key management personnel for their services to the academy trust was £80,640 (2019: £66,514).

7 Central Services

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

8 Related Party Transactions - Trustees' Remuneration & Expenses

No trustees received remuneration in respect of services they provide. The Head Teacher and the Acting Head of School are not trustees of the academy trust.

No trustees claimed reimbursed expenses for their role as trustees.

9 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. It is not possible to split out the costs of this insurance from the premium.

10 Tangible Fixed Assets

	Computer Equipment £000	Furniture and Equipment £000	Total £000
Cost			
At 1 September 2019	27	12	39
Additions	-	-	-
At 31 August 2020	<u>27</u>	<u>12</u>	<u>39</u>
Depreciation			
At 1 September 2019	22	2	24
Charged in year	4	4	8
At 31 August 2020	<u>26</u>	<u>6</u>	<u>32</u>
Net book values			
At 31 August 2020	<u>1</u>	<u>6</u>	<u>7</u>
At 31 August 2019	<u>5</u>	<u>10</u>	<u>15</u>

Salopia Catholic Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2020

11 Debtors

	2020 £000	2019 £000
VAT recoverable	7	12
Prepayments and accrued income	33	18
	<u>40</u>	<u>30</u>

12 Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	19	58
Other taxation and social security	29	-
Accruals and deferred income	25	17
	<u>73</u>	<u>75</u>

13 Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, Losses & Transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	215	480	(409)	-	286
Other income	-	62	(62)	-	-
Other DfE/ESFA grants	-	164	(164)	-	-
Pension reserve	(177)	-	(21)	(108)	(306)
	<u>38</u>	<u>706</u>	<u>(656)</u>	<u>(108)</u>	<u>(20)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	9	-	(2)	-	7
Capital Expenditure from GAG	6	-	(6)	-	-
	<u>15</u>	<u>-</u>	<u>(8)</u>	<u>-</u>	<u>7</u>
Total restricted funds	<u>53</u>	<u>706</u>	<u>(664)</u>	<u>(108)</u>	<u>(13)</u>
Unrestricted funds					
Unrestricted funds	-	-	-	-	-
Total unrestricted funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>53</u>	<u>706</u>	<u>(664)</u>	<u>(108)</u>	<u>(13)</u>

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

General annual grant

This includes all monies received from the ESFA to carry out the objectives of the academy. It includes the School Budget Share, LACSEG (Local Authority Central Spend Equivalent Grant), insurance and rates grants.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants

This represents revenue grants received from the ESFA for specific purposes, for example to support individual pupils with a SEN statement.

Other restricted funds

This represents revenue grants received from the Local Education Authorities and Education and Skills Funding Agency for specific purposes.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS defined benefit pension scheme.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and monies transferred from the GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

Salopia Catholic Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2020

13 Funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, Losses & Transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	198	463	(442)	(4)	215
Other income	-	36	(36)	-	-
Other DfE/ESFA grants	-	112	(112)	-	-
Pension reserve	(103)	-	(12)	(62)	(177)
	<u>95</u>	<u>611</u>	<u>(602)</u>	<u>(66)</u>	<u>38</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	-	11	(6)	4	9
Capital Expenditure from GAG	12	-	(6)	-	6
	<u>12</u>	<u>11</u>	<u>(12)</u>	<u>4</u>	<u>15</u>
Total restricted funds	<u>107</u>	<u>622</u>	<u>(614)</u>	<u>(62)</u>	<u>53</u>
Unrestricted funds					
Unrestricted funds	-	-	-	-	-
Total unrestricted funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>107</u>	<u>622</u>	<u>(614)</u>	<u>(62)</u>	<u>53</u>

Salopia Catholic Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2020

13 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	Total £000
St Augustine's Catholic Primary School	286
Total before fixed assets and pension reserve	286
Restricted fixed asset fund	7
Pension reserve	(306)
Total	(13)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding depreciation) £000	Total £000
St Augustine's Catholic Primary School	476	-	27	140	643
Academy Trust	476	-	27	140	643

14 Analysis of Net Assets between Funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	7	7
Net current assets	-	286	-	286
Pension scheme liability	-	(306)	-	(306)
Total net assets	-	(20)	7	(13)

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2019 £000
Tangible fixed assets	-	-	15	15
Net current assets	-	215	-	215
Pension scheme liability	-	(177)	-	(177)
Total net assets	-	38	15	53

Salopia Catholic Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2020

15 Reconciliation of Net (Expenditure)/Income to Net Cash from Operating Activities

	2020 £000	2019 £000
Net income/(expenditure)	42	8
Depreciation	8	12
Capital grants from DfE and others	-	(11)
Defined benefit pension cost less contributions payable	18	9
Defined benefit pension finance costs	3	3
(Increase)/decrease in debtors	(10)	17
(Decrease) in creditors	(2)	(36)
Net Cash (Outflow)/Inflow from Operating Activities	59	2

16 Capital Expenditure and Financial Investment

	2020 £000	2019 £000
Purchase of tangible fixed assets	-	(15)
Capital grants from DfE/ESFA	-	11
Net cash outflow from capital expenditure and financial investment	-	(4)

17 Analysis of Cash and Cash Equivalents

	2020 £000	2019 £000
Cash in hand and at bank	319	260
	319	260

18 Members' Liability

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

Salopia Catholic Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2020

19 Pension and Similar Obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and LGPS 31 March 2019.

Contributions amounting to £7k (2019: £Nil) was payable to schemes at 31 August 2020 and included within creditors.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £58k (2019: £27k) and at the year-end £Nil (2019 - £Nil) was accrued in respect of contributions to this scheme.

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department of Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).

- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.

- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

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

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

Local Government Pension Schemes

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £19,000 (2019: £19,000) of which employer's contributions totalled £15,000 (2019: £15,000) and employees' contributions totalled £4,000 (2019: £4,000). The agreed contribution rates for future years are 21.0% from 1 April 2021 and 22.5% from 1 April 2022 for employers and a range between 5.8 per cent and 7.2 per cent for employees based on income.

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.

Salopia Catholic Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2020

19 Pension and Similar Obligations (continued)

Local Government Pension Schemes (continued)

Cheshire Pension Fund

Principal Actuarial Assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	2.90%	2.60%
Rate of increase for pensions in payment/inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.70%	1.80%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.2	21.2
Females	23.6	23.5
<i>Retiring in 20 years</i>		
Males	21.9	22.1
Females	25.0	25.0

Sensitivity analysis on obligation

	As at 31 August 2019 £'000	As at 31 August 2018 £'000
Discount rate -0.5%	781	571
Mortality assumption - 1 year increase	702	521
Pay growth +0.5%	685	511
Pension rate +0.5%	781	556

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equities	171	139
Government bonds	152	152
Property	38	26
Cash/liquidity	19	6
Total market value of assets	379	324

The actual return on scheme assets was £16,000.

Amounts recognised in the statement of financial activities

	2020 £000	2019 £000
Current service cost (net of employee contributions)	36	23
Past service cost	-	1
Net interest cost	3	3
Total operating charge	39	27

Salopia Catholic Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2020

19 Pension and Similar Obligations (continued)

Local Government Pension Schemes (Continued)

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

	2020 £000	2019 £000
At 1 September 2019	501	388
Current service cost	36	23
Past service cost	-	1
Interest cost	9	11
Employee contributions	4	4
Benefits paid	(9)	(7)
Actuarial loss/(gain)	144	81
At 31 August 2020	<u>685</u>	<u>501</u>

Movements in the fair value of academy's share of scheme assets:

	2020 £000	2019 £000
At 1 September 2019	324	285
Expected return on assets	6	8
Actuarial gain	36	19
Benefits paid	(9)	(7)
Employer contributions	18	15
Employee contributions	4	4
At 31 August 2020	<u>379</u>	<u>324</u>

20 Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. There were no other related party transactions in the year.