

Newman Catholic Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2021

Company Registration Number:
07714121 (England and Wales)

Newman Catholic Academy Trust

Contents

	Page
Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	10
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report on the Financial Statements	18
Independent Reporting Accountant's Report on Regularity	22
Statement of Financial Activities incorporating Income & Expenditure Account	25
Balance Sheet	26
Statement of Cash Flows	27
Notes to the Financial Statements	28

Newman Catholic Academy Trust

Reference and Administrative Details

Members:

M Breen
Rev Canon M Dennehy
Rt Rev P Egan
H Hauschild
Rev P Smith

Trustees:

R Congreve
J Gallagher
P Kollig
S Pearson
G Riley
P Phelan (resigned 31 December 2020)
I Rylands (resigned 9 September 2021)

The following Governors served during the year but are not Trustees of the Academy Trust:

A Braga
D Cardenas-Lopez
C Duddy
T Frajka
F Fedele
C Ikejiuba (appointed 14 September 2021)
G Joslin
R Magee
A Rouse (appointed 26 July 2021)
I Rylands (appointed 9 September 2021)
E Taylor

Senior Management Team:

P Phelan	Headteacher to 31 December 2020
C Duddy	Acting Headteacher from 1 January 2021
H Lacey	Acting Deputy Headteacher from 1 January 2021
M Quinn	Assistant Headteacher
M Waterfield	Assistant Headteacher (resigned 18 April 2021)
J Hall	Assistant Headteacher (appointed 19 April 2021)
S Keogh- Foy	Assistant Headteacher (appointed 19 April 2021)
V Inch	School Business Manager

Newman Catholic Academy Trust

Reference and Administrative Details

Company Name

Newman Catholic Academy Trust

Principal and Registered Office

Springhill Catholic Primary School
Milton Road
Southampton
Hampshire
SO15 2HW

Company Registration Number

07714121 (England and Wales)

Independent Auditor

Hopper Williams & Bell Limited

Statutory Auditor

Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers

Lloyds Bank Plc
63 London Road
Southampton
Hampshire
SO15 2US

Solicitors

Blake Morgan LLP
New Kings Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3LG

Newman Catholic Academy Trust

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates a primary school in Southampton to provide education for pupils of different abilities who are mainly drawn from the three Catholic parishes in which the school is situated. It has a published admission number (PAN) of 630 and at the Autumn 2021 census had 684 pupils on roll. The number on roll is in excess of the PAN due to the admission of a temporary 'bulge class' into year R in 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 Newman Catholic Academy Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Springhill Catholic Primary School.

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

Members' Liability

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

Trustees' Indemnities

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 in any membership year.

Method of Recruitment and Appointment or Election of Trustees

In accordance with the arrangements set out in the Trust's Articles and funding agreement, the Members of the Trust company shall be appointed by the Diocesan Bishop.

The number of Trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. All Trustees shall upon their appointment or election give a written undertaking to the Diocesan Bishop to uphold the Objects of the Company.

The Diocesan Bishop shall appoint such number of Foundation Trustees to ensure that at all times the number of Foundation Trustees exceeds the number of other Directors (including any co-opted Directors) by at least two.

Newman Catholic Academy Trust

Trustees' Report

Method of Recruitment and Appointment or Election of Trustees (continued)

In circumstances where the Trustees have not appointed local governing bodies, or there are no plans to include at least two local parent governors on each local governing body, there shall be a minimum of two parent Trustees, elected by the Parents.

Co-opted Trustees may be appointed by being co-opted by Trustees who have not been so appointed themselves.

The term of office for any Trustee shall be 4 years or a shorter period if specified at the time of appointment by the person or body appointing, save that this time limit shall not apply to Co-opted Trustees or to any post that is held ex-officio. Co-opted Trustees shall be appointed for a period of one year.

Policies and Procedures Adopted for the Induction and Training of Trustees

A meeting is held with the Chair of Trustees, the new Trustee is given a mentor to contact and they are provided with all policies & documentation including a 'Trustees' guide to the law', encouraged to attend Diocesan training and a local Trustee training provider induction course. New Trustees are invited to all committee meetings to see procedures and what is involved before they decide which committees they want to be involved with.

Organisational Structure

The board delegates powers to the following committees who then report back at the following Boards of Trustees meetings:

- Finance & Buildings (to include the audit committee)
- Admissions & Staffing
- Curriculum
- Pay Review
- Communications

The decisions reserved for the Board of Trustees are budget approval and the school Admissions policy. Appointment of staff is delegated to the Headteacher, excluding management team appointments. The day to day running of the school is delegated to the Headteacher. Please see the document Delegation of Headteacher responsibilities which is available from the school office on request.

Arrangements for setting pay and remuneration of key management personnel

The pay range for the Head Teacher, Deputy Head Teacher and Assistant Head Teachers are determined in accordance with the criteria set out in the School Teachers Pay and Conditions Document and approved by the pay review committee.

Appraisal objectives will be appropriate to the scale point the teacher is on and in line with their level of experience.

Newman Catholic Academy Trust

Trustees' Report

Trade union facility time

The Trust employs one teacher who is a trade union representative. During the year to 31 August 2021 there was no paid union facility time.

Related Parties and other Connected Charities and Organisations

There have been no transactions with related parties or other connected charities/organisations.

Objectives and Activities

Objects and Aims

To provide education for pupils of different abilities who are mainly drawn from the three Catholic parishes in which the school is situated.

Objectives, Strategies and Activities

The Company's object ("the Object") is specifically restricted to the following: 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 ("the Academies") which shall offer offering 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 the charitable purposes of the Trustees and any trust deed governing the use of any land used by an Academy both generally and having regard to any advice and following directives issued by the Diocesan Bishop.

Public Benefit

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit'.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Newman Catholic Academy Trust

Trustees' Report

Strategic Report

Achievements and Performance

The school is held in high regard by the local community achieving SATs results at the end of Primary education which show excellent progress from below average starting points. The school is rated Outstanding by Ofsted.

Key Performance Indicators

Number on roll: the academy continues to be oversubscribed and has waiting lists for all year groups.

Performance: Continue to monitor and maintain the high standards of achievement obtained in the assessments at the end of year 2 and year 6.

English Hub: Continue to deliver excellent early language and phonics teaching in reception and Key Stage 1 and maintain appointment as English Hub School.

Attendance: Maintain good attendance levels across the school through monitoring, early identification of attendance issues and working with families.

OFSTED: Maintaining Outstanding OFSTED Status

Behaviour: Set high standards for behaviour and continue to monitor and address behaviour issues.

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.

Newman Catholic Academy Trust

Trustees' Report

Financial Review

The Trust's main source of income is from the Education and Skills Funding Agency, the use of which is restricted to the purposes of Education. Expenditure is linked to the school improvement plan to enable the school to be an outstanding school achieving above the National average SATs results at the end of Primary education.

COVID-19 continued to impact the school's ability to generate income during 31 August 2021, with limited after school activities being able to be run and only key worker children being able to attend the after school club during the period of school closure that commenced in January 2021. We were also unable to rent out facilities to external companies.

For the year ended 31 August 2021 the Trust accounts show an in-year deficit of £167,691 (2020: £451,356). If movements on the restricted pension and restricted fixed asset fund are excluded the Trust generated a surplus of £129,286 (2020: £24,126) in relation to its educational activities and its restricted and unrestricted reserves (excluding restricted pension liability and restricted fixed asset fund) increased from £549,101 to £678,387.

Springhill Catholic Primary School continues to operate an English Hub school, selected on the basis of their expertise in teaching reading and support schools in their surrounding areas. English Hub grant funding of £371,243 (2020: £455,380) was used to support schools in the surrounding areas as outlined in the grant offer letter.

In addition to grant funding, the school generates other income through parental donations, bank interest, the running of breakfast and after school clubs and through letting of the schools facilities.

Reserves Policy

The Finance & Building committee have agreed that a minimum of 5% of the General Annual Grant should be held in reserve for emergency repairs that are not covered by the schools intensive insurance policies and uncertainties regarding future funding formula and increasing employment costs.

Any surplus or deficit arising from accounting for the Local Government Pension Scheme (LGPS) is included within restricted funds. Where the inclusion of this in restricted fund results in an overall deficit, this does not mean that an immediate liability crystallises. Equally, should this create an overall surplus in restricted funds this does not create an immediately realisable asset.

Newman Catholic Academy Trust

Trustees' Report

Reserves Policy (continued)

The reserves as at 31 August 2021 were as follows:

- Unrestricted (free) reserves of £110,523 (2020: £109,682)
- A restricted fixed asset fund of £3,551,882 (2020: £3,697,859), which can only be realised through disposal of tangible fixed assets
- A pension deficit of £2,059,000 (2020: £1,908,000)
- Other restricted funds of £567,864 (2020: £439,419)
- Total funds of £2,171,269 (2020: £2,338,960)

Total reserves available to the Academy (i.e. restricted reserves excluding restricted fixed asset funds and pension reserves, plus unrestricted reserves) totalled £678,387, which exceeded the minimum 5% required by the reserves policy.

There is a £2,059,000 deficit in respect of the Local Government Pension Scheme. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academy trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust as a result of recognising the deficit.

Investment Policy

The school aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. In addition, the school aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no tangible risk to the loss of these cash funds.

Principal Risks and Uncertainties

Financial risk control is reviewed by the Finance & Building committee.

Pupil numbers on roll directly influence the budget share received from the ESFA. Any decrease in numbers would result in a decrease in funding for the following Academic year. The risk relating to this uncertainty has been assessed and is considered to be low due to the fact that we are currently oversubscribed and maintaining a waiting list.

Uncertainty exists regarding future funding formulas and increasing costs of employment. The ongoing impact of COVID-19 on running costs and staffing levels also represents an area of significant uncertainty.

Prudent three year forecasts are prepared taking the above into consideration and reserve levels monitored.

Newman Catholic Academy Trust

Trustees' Report

Fundraising

The Springhill Parent's Association raises funds in order to support the school operations. Fundraising activities undertaken by the parents association normally include, cake sales, an annual school fete, second hand uniform sales and more. The ability to fundraise was impacted significantly by COVID-19 however plans are in place to re-start fundraising activities in the next academic year.

In addition, collections are held for other local and national charities that the school community may contribute to. Any amounts collected are forwarded in full to the relevant charity.

We confirm that when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the academy trust during the year.

Plans for Future Periods

Over the next 12 months we plan to:

- Make permanent appointments for Headteacher and Deputy Headteacher
- Continue to monitor attainment and assess gaps in learning resulting from COVID-19 use the tutoring grant to provide additional support to pupils in order to close these gaps
- Continue to focus on following the school improvement plan to maintain our Outstanding Ofsted rating.
- Focus on addressing any points raised by the internal scrutineer.

Funds Held as Custodian Trustee on Behalf of Others

The Trust holds no funds as Custodian Trustee on behalf of others.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 30 November 2021 and signed on the board's behalf by:

Richard Congreve
Richard Congreve (Dec 16, 2021 15:25 GMT)

R Congreve
Chair of Trustees

Newman Catholic Academy Trust

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Newman 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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Newman 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 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Angela Braga	6	6
Denise Cardenas-Lopez	5	6
Richard Congreve	6	6
Fiammetta Fedele	6	6
Tamas Frajka	6	6
Bart Gallagher	6	6
Graham Joslin	5	6
Peter Kolliq	6	6
Becky Magee	4	6
Sarah Pearson	6	6
Patricia Phelan (resigned 31 December 2020)	3	3
Ged Riley	5	6
Iain Rylands	6	6
Eugenie Taylor	6	6
Ciara Duddy (appointed 1 January 2021)	3	3

Newman Catholic Academy Trust

Governance Statement

Governance (continued)

Composition of the Governing Body

The Governing Body is made up of nine Foundation Governors*, two Staff Governors (including the Headteacher), two Parent Governors and one co-opted governor. A further 2 Foundation Governors have been appointed after the year end.

*The term Foundation Governor is used in this document to describe those appointed to the board by the Bishop of the Diocese in which the Academy is situated. Elsewhere, these individuals may be referred to as Foundation Directors. The Bishop not only appoints his Foundation Governors because of their particular skills, but, more importantly, for the strict purpose of ensuring, on his behalf, the Catholic character of the Academy. Foundation Governors are also under important legal duties to preserve and develop the Academy's Catholic character. In order to ensure that the Academy's Catholic character is protected and that it is being conducted in accordance with the tenets of its Catholic designation, Governing Bodies of Catholic schools and academies must always have a majority of Foundation Governors.

The Diocesan Bishop is canonically responsible for his schools and academies. He ensures that the Catholic ethos of the school/academy is maintained, particularly through the appointment of Foundation Governors, but also through overseeing the appointment of members of staff and through Diocesan inspection, in order to ensure that the school/academy is fulfilling the objects cited in its Instrument of Government/Articles of Association and the trust deed under which the school/academy was established.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

Governing Body's work this year

The past academic year has been another unforeseen year. With the continuation of the COVID-19 pandemic we found ourselves adjusting to a new normal. As a governing board we have successfully set ourselves up to effectively carry out our roles and responsibilities in a virtual and remote context, however being mindful of situations where face-to-face context is essential.

Newman Catholic Academy Trust

Governance Statement

Governance (continued)

The below points are some of our thoughts, approaches and achievements this past year:

- Despite the on-going COVID-19 disruption the finances of the school have been tightly controlled by the School Business Manager working closely with the Finance, Buildings and Audit Committee.
- Decisions on urgent and extraordinary expenditure have been authorised expeditiously by e-mail consensus.
- The Governors found that virtual meetings and e-mail correspondence enabled smoother, faster decision making compared with the traditional meeting procedure of sitting around a table. It is likely that in future a mixture of live and virtual meetings will be the norm.
- The Curriculum Committee has met regularly throughout the last year and received presentations from subject leaders on Design Technology, Art and Geography. In addition, this Committee has learnt about Springhill's focus on quality of education, how it has developed its ambitious curriculum and maintains outstanding teaching in basic skills. It has heard how the school teaches Vocabulary, makes use of the library and how it adapted teaching for the home learning environment to make the best use of technology and keep children engaged.
- The Curriculum Committee received regular updates on Special Educational Needs provision and looked in depth at pupil premium outcomes. The Curriculum Committee has also reviewed a number of school policies and kept up to date with Ofsted changes.
- The Communications Committee has successfully managed the buildout, implementation, and launch of a new website and mobile platform.
- A Parent survey was conducted in the summer term with an additional section seeking feedback around home learning.
- The Health and Safety Committee met three times in 20/21. One of the main focuses was ensuring cover was maintained for the essential services and maintenance due to the long term sickness of the site manager. A new contract was agreed with a Technical Services supplier and additional training given to key personnel. COVID-19 was a main focus of concern for the majority of the year and particularly during the lockdowns, ensuring we had robust risk assessments in place and they were being adhered to.

Review of the Board's performance

During the year 2020-21, the Board's performance has been good, as shown in the annual report. The full Governing Body has met six times during the year and we have not cancelled a Full Governing Body meeting because it was not "quorate" (the number of Governors needed to ensure that legal decisions can be made). Overall, Governors have excellent attendance at Governing Body meetings.

Quality of Data

On the academic side, information on standards and progress comes to every Board meeting via the full reporting system of the Senior Leadership Team, including the RAG (Red, Amber, and Green) rating for every individual child across the curriculum. Verification of the data comes through external moderation, and ultimately from the SATS results.

Newman Catholic Academy Trust

Governance Statement

Governance (continued)

On the financial side, the Finance and Buildings committee meets 5/6 times a year to review interim budgets and a full annual budget. An external audit is carried out by the appointed accountants at the end of every school year on both the grant income and associated expenditure and the trust accounts.

The Finance and Buildings Committee is a sub-committee of the main board of trustees. Its purpose is as follows:

Finance: to assist the decision making of the Board of Directors, by enabling more detailed consideration to be given to the best means of fulfilling the governors' responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity in line with the Academies Financial Handbook. As part of this the committee monitors spending against budget, approve any spending over the Headteacher's designated spend limit and approve the future budgets.

Buildings: to maintain and ensure good repair of the school site and buildings, to meet and administer the school's Health & Safety requirement and to undertake delegated responsibility for any alterations or new building.

Attendance at meetings during the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Fiammetta Fedele	4	6
Bart Gallagher	6	6
Graham Joslin	6	6
Peter Kolliq	6	6
Patricia Phelan	2	2
Ged Riley	2	6
Tamas Frajka	6	6
Ciara Duddy	4	4

Newman Catholic Academy Trust

Governance Statement

Review of Value for Money

As Accounting Officer the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The extra 'bulge' class, from the September 2015 intake, continues to be monitored as it reaches Year 6.

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 Newman Catholic Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The board of trustees has decided to buy in an internal scrutiny service from SLL accounting.

Newman Catholic Academy Trust

Governance Statement

The Risk and Control Framework (continued)

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

- Terms of Reference,
- The Financial Manual and changes to Academy Financial Handbook requirements
- Progress on External and Internal Audit findings report from 31st August 2020.
- Risk Register, procedures and policies
- Monthly management accounts pack and month end procedures
- Procurement, payments and propriety of spend
- Academy website compliance
- Register of Business interests

On a termly basis, the reviewer reports to the board of trustees, through the audit and risk committee (part of the Buildings and Finance committee) on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of Effectiveness

As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor scrutineer
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Buildings Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

How to contact the Governing Body

We always welcome suggestions, feedback and ideas from parents, carers and the wider school/academy community – please contact the Chair of Governors, R Congreve, on: chairofgovernors@springhill.net.

Approved by order of the members of the Board of Trustees on 30 November 2021 and signed on its behalf by:


Richard Congreve (Dec 16, 2021 15:25 GMT)

R Congreve
Chair of Trustees


Ciara Duddy (Dec 16, 2021 15:47 GMT)

C Duddy
Accounting Officer

Newman Catholic Academy Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Newman Catholic Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of 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 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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.

Ciara Duddy
Ciara Duddy (Dec 16, 2021 15:47 GMT)

C Duddy
Accounting Officer
30 November 2021

Newman Catholic Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 30 November 2021 and signed on its behalf by:


Richard Congreve (Dec 16, 2021 15:25 GMT)

R Congreve
Chair of Trustees

Newman Catholic Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Newman Catholic Academy Trust

Opinion

We have audited the financial statements of Newman Catholic Academy Trust ('the charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Newman Catholic Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Newman Catholic Academy Trust

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. It includes the Reference and Administrative Details, the Trustees' Report (including the Strategic Report), and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Newman Catholic Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Newman Catholic Academy Trust

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (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 Trustees determine is necessary to enable to preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy Trust, and the sector in which it operates. These include but are not limited to compliance with the Companies Act 2006, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, the Academies Financial Handbook 2020, and the Academies Accounts Direction 2020 to 2021.
- We obtained an understanding of how the Academy Trust is complying with these frameworks through discussions with management.

Newman Catholic Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Newman Catholic Academy Trust

- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and a review of board minutes.
- We assessed the susceptibility of the Academy Trust's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Academy Trust operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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

David Brookes

David Brookes (Dec 17, 2021 14:41 GMT)

D Brookes FCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 17/12/2021

Newman Catholic Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Newman Catholic Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Newman Catholic Academy Trust during the period 1 September 2020 to 31 August 2021 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 Newman Catholic Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Newman 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 the Newman Catholic Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Newman Catholic Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Newman Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 17 August 2011 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Newman Catholic Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Newman Catholic Academy Trust and the Education & Skills Funding Agency

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academies Financial Handbook (effective from 1 September 2020) (AFH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the AFH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the AFH.
- Review of any 'minded to' letters or Notices to Improve which have been issued to the Academy Trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the AFH.
- Review of governance arrangements to determine whether the requirements of the AFH have been met.
- Review of the Academy Trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the Academy Trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.

Newman Catholic Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Newman Catholic Academy Trust and the Education & Skills Funding Agency

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

David Brookes

David Brookes (Dec 17, 2021 14:41 GMT)

D Brookes FCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 17/12/2021

Newman Catholic Academy Trust

Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2020/21 Total £	2019/20 Total £
Income and endowments from:							
Donations and capital grants	3	-	3,000	-	11,695	14,695	16,692
Charitable activities:							
Funding for the academy trust's educational operations	4	-	3,626,102	-	-	3,626,102	3,545,198
Other trading activities	5	-	-	-	-	-	3,580
Investments	6	841	-	-	-	841	2,338
Total		841	3,629,102	-	11,695	3,641,638	3,567,808
Expenditure on:							
Charitable activities:							
Academy trust educational operations	8	-	3,511,316	249,000	147,013	3,907,329	3,823,164
Net income / (expenditure)		841	117,786	(249,000)	(135,318)	(265,691)	(255,356)
Transfers between funds	16	-	10,659	-	(10,659)	-	-
Other recognised gains / (losses):							
Actuarial gains / (losses) on defined benefit pension schemes	24	-	-	98,000	-	98,000	(196,000)
Net movement in funds		841	128,445	(151,000)	(145,977)	(167,691)	(451,356)
Reconciliation of funds							
Total funds brought forward		109,682	439,419	(1,908,000)	3,697,859	2,338,960	2,790,316
Total funds carried forward		110,523	567,864	(2,059,000)	3,551,882	2,171,269	2,338,960

The notes on pages 28 to 49 form part of these financial statements.

Newman Catholic Academy Trust

Balance Sheet as at 31 August 2021

Company Number 07714121

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		3,551,882		3,697,859
Current assets					
Debtors	13	99,477		83,060	
Investments	14	200,000		100,000	
Cash at bank and in hand		582,471		586,528	
		<u>881,948</u>		<u>769,588</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(203,561)</u>		<u>(220,487)</u>	
Net current assets			<u>678,387</u>		<u>549,101</u>
Total assets less current liabilities			4,230,269		4,246,960
Defined benefit pension scheme liability	24		(2,059,000)		(1,908,000)
Total net assets			<u>2,171,269</u>		<u>2,338,960</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16	3,551,882		3,697,859	
Restricted income fund	16	567,864		439,419	
Pension reserve	16	<u>(2,059,000)</u>		<u>(1,908,000)</u>	
Total restricted funds			2,060,746		2,229,278
Unrestricted income funds	16		110,523		109,682
Total funds			<u>2,171,269</u>		<u>2,338,960</u>

The financial statements on pages 25 to 49 were approved by the trustees and authorised for issue on 30 November 2021 and are signed on their behalf by:

Richard Congreve
Richard Congreve (Dec 16, 2021 15:25 GMT)

R Congreve
Chair of Trustees

The notes on pages 28 to 49 form part of these financial statements.

Newman Catholic Academy Trust

Statement of Cash Flows for the year ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	84,443	(27,582)
Cash flows from investing activities	20	(88,500)	(65,577)
Change in cash and cash equivalents in the reporting period		<u>(4,057)</u>	<u>(93,159)</u>
Cash and cash equivalents at 1 September 2020		586,528	679,687
Cash and cash equivalents at 31 August 2021	21	<u>582,471</u>	<u>586,528</u>

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

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

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)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

- 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.

- Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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.

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

Income (continued)

- Other Income

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

- Donated goods, facilities and services

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

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.

- 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.

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

Tangible Fixed Assets

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.

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

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

Leasehold Land and Buildings	2% straight line on buildings; not provided on land
Leasehold Improvements	10% straight line
Furniture and Equipment	25% straight line
Computer Equipment	33% straight line
Motor Vehicles	20% straight line

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

Where the Academy Trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the Academy Trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the Academy Trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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 or services it must provide.

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

Provisions

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

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

Leased Assets

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

Current asset investments

Current asset investments comprise fixed term bank deposits. These investments are classified as a basic financial instrument and are measured at amortised cost.

Financial Instruments

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

Financial assets

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

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

Financial liabilities

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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.

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

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

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

Fund Accounting

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

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

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

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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 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 2021. 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.

The assumptions used are disclosed in note 24.

Critical areas of judgement

There are no other critical areas of judgement.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2021 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2021.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Capital grants	-	11,695	11,695	11,718
Other donations	-	3,000	3,000	4,974
	-	14,695	14,695	16,692
Total 2020	-	16,692	16,692	

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	2,583,812	2,583,812	2,481,680
Pupil Premium	-	91,130	91,130	91,776
UFSM	-	108,829	108,829	107,323
PE and sports grant	-	21,940	21,940	21,960
Teachers' pay grant	-	32,236	32,236	51,203
Teachers' pension grant	-	93,110	93,110	92,063
Other DfE grants	-	371,243	371,243	455,380
	-	3,302,300	3,302,300	3,301,385
Other government grants				
Local authority grants	-	77,676	77,676	49,142
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	54,800	54,800	-
Other income from the Academy Trust's educational operations				
Trip income	-	8,675	8,675	15,691
Tuition fee income	-	23,639	23,639	23,721
Catering income	-	68,356	68,356	53,633
Other income	-	90,656	90,656	101,626
	-	191,326	191,326	194,671
	-	3,626,102	3,626,102	3,545,198
Total 2020	-	3,545,198	3,545,198	

Following the reclassification of some grants received from the Department for Education and the ESFA in the Academies Accounts Direction 2020/21, the Academy Trust's funding for UFSM, PE and sports grant, Teachers' pay grant, and Teachers' pension grant are no longer reported under the Other DfE grants heading, but as separate lines under the DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy Trust received £54,800 of funding for catch-up premium and costs incurred in respect of this funding totalled £54,800.

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

5 Other trading activities

	Unrestricted funds	Restricted funds	2020/21 Total	2019/20 Total
	£	£	£	£
Hire of facilities	-	-	-	3,580
Total 2020	3,580	-	3,580	

6 Investment income

	Unrestricted funds	Restricted funds	2020/21 Total	2019/20 Total
	£	£	£	£
Short term deposits	841	-	841	2,338
Total 2020	2,338	-	2,338	

7 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2020/21	2019/20
	£	£	£	£	£
Academy's educational operations:					
Direct costs	2,399,958	-	207,485	2,607,443	2,623,782
Allocated support costs	673,307	142,770	483,809	1,299,886	1,199,382
	3,073,265	142,770	691,294	3,907,329	3,823,164
Total 2020	2,994,419	139,856	688,889	3,823,164	

Net income/(expenditure) for the period includes:

	2020/21	2019/20
	£	£
Operating lease rentals	2,642	10,595
Depreciation	147,013	143,115
Fees payable to auditor for:		
Audit	4,700	4,625
Other services	4,305	4,425

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

8 Charitable activities

	2020/21 Total £	2019/20 Total £
Direct costs	2,607,443	2,623,782
Support costs	1,299,886	1,199,382
	<u>3,907,329</u>	<u>3,823,164</u>

Analysis of support costs:

	Educational operations £	2020/21 Total £	2019/20 Total £
Support staff costs	673,307	673,307	609,543
Depreciation	147,013	147,013	143,115
Technology costs	48,818	48,818	34,969
Premises costs	142,770	142,770	139,856
Other support costs	283,873	283,873	262,849
Governance costs	4,105	4,105	9,050
Total support costs	<u>1,299,886</u>	<u>1,299,886</u>	<u>1,199,382</u>

Total 2020	<u>1,199,382</u>	<u>1,199,382</u>
------------	------------------	------------------

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

9 Staff

a) Staff costs

Staff costs during the period were:

	2020/21	2019/20
	£	£
Wages and salaries	2,178,156	2,154,930
Social security costs	179,499	184,808
Pension costs	679,021	630,899
	<u>3,036,676</u>	<u>2,970,637</u>
Agency staff costs	36,589	11,782
Staff restructuring costs	-	12,000
	<u>3,073,265</u>	<u>2,994,419</u>

Staff restructuring costs comprise:

Severance payments	-	12,000
	<u>-</u>	<u>12,000</u>

b) Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2020: £12,000).

c) Staff numbers

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

	2020/21	2019/20
	No.	No.
Teachers	33	32
Administration and support	53	60
Management	6	6
	<u>92</u>	<u>98</u>

Average number expressed as a full time equivalent:

	2020/21	2019/20
	No.	No.
Teachers	31	31
Administration and support	31	32
Management	6	6
	<u>68</u>	<u>69</u>

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

9 Staff (continued)

d) Higher paid staff

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

	2020/21	2019/20
	No.	No.
£70,001 - £80,000	1	-
£90,001 - £100,000	-	1

e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £458,983 (2020: £437,931).

10 Related Party Transactions – Trustees’ remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees’ remuneration and other benefits was as follows:

		2020/21	2019/20
		£000	£000
P Phelan	Remuneration	30-35	90-95
(Accounting Officer to 31 December 2020)	Employer’s pension contributions paid	5-10	20-25
I Rylands	Remuneration	40-45	35-40
(Staff trustee)	Employer’s pension contributions paid	5-10	5-10

During the period ended 31 August 2021, no trustees received any reimbursement of expenses (2020: £1,537 to one trustee).

11 Trustees and officers insurance

The Academy Trust has opted into the Department for Education’s risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10m. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

12 Tangible fixed assets

	Leasehold Land and Buildings £	Leasehold Improve- ments £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 September 2020	3,880,969	693,878	84,013	166,488	34,650	4,859,998
Acquisitions	-	-	-	1,036	-	1,036
At 31 August 2021	<u>3,880,969</u>	<u>693,878</u>	<u>84,013</u>	<u>167,524</u>	<u>34,650</u>	<u>4,861,034</u>
Depreciation						
At 1 September 2020	532,340	400,335	63,907	148,301	17,256	1,162,139
Charged in year	59,149	69,387	5,685	7,292	5,500	147,013
At 31 August 2021	<u>591,489</u>	<u>469,722</u>	<u>69,592</u>	<u>155,593</u>	<u>22,756</u>	<u>1,309,152</u>
Net book values						
At 31 August 2020	3,348,629	293,543	20,106	18,187	17,394	3,697,859
At 31 August 2021	<u>3,289,480</u>	<u>224,156</u>	<u>14,421</u>	<u>11,931</u>	<u>11,894</u>	<u>3,551,882</u>

13 Debtors

	2020/21 £	2019/20 £
Trade debtors	3,907	3,214
VAT recoverable	28,237	3,015
Prepayments and accrued income	<u>67,333</u>	<u>76,831</u>
	<u>99,477</u>	<u>83,060</u>

14 Current asset investments

	2020/21 £	2019/20 £
Bank deposits	<u>200,000</u>	<u>100,000</u>

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

15 Creditors: amounts falling due within one year

	2020/21	2019/20
	£	£
Trade creditors	24,827	19,735
Other taxation and social security	43,064	44,682
Other creditors falling due within one year	51,033	51,702
Accruals and deferred income	84,637	104,368
	<u>203,561</u>	<u>220,487</u>

	2020/21	2019/20
	£	£
Deferred income at 1 September 2020	82,411	61,435
Released from previous years	(82,411)	(61,435)
Resources deferred in the year	63,808	82,411
Deferred income at 31 August 2021	<u>63,808</u>	<u>82,411</u>

At the balance sheet date the academy trust was holding funds received in advance in respect of UIFSM funding received for the forthcoming academic year.

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

16 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2021 £
Restricted general funds						
General Annual Grant (GAG)	-	2,583,812	(2,583,812)	-	-	-
Pupil premium	-	91,130	(91,130)	-	-	-
UIFSM	-	108,829	(108,829)	-	-	-
PE and sports grant	-	21,940	(21,940)	-	-	-
Teachers' pay grant	-	32,236	(32,236)	-	-	-
Teachers' pension grant	-	93,110	(93,110)	-	-	-
English Hub	179,834	371,243	(284,760)	(24,473)	-	241,844
Local authority grants	-	77,676	(77,676)	-	-	-
Catch-up premium	-	54,800	(54,800)	-	-	-
Other educational activities	259,585	194,326	(163,023)	35,132	-	326,020
	439,419	3,629,102	(3,511,316)	10,659	-	567,864
Pension reserve	(1,908,000)	-	(249,000)	-	98,000	(2,059,000)
	(1,468,581)	3,629,102	(3,760,316)	10,659	98,000	(1,491,136)
Restricted fixed asset funds						
Fixed asset fund	3,697,859	-	(147,013)	1,036	-	3,551,882
ESFA capital grants (DFC)	-	11,695	-	(11,695)	-	-
	3,697,859	11,695	(147,013)	(10,659)	-	3,551,882
Total restricted funds	2,229,278	3,640,797	(3,907,329)	-	98,000	2,060,746
Total unrestricted funds	109,682	841	-	-	-	110,523
Total funds	2,338,960	3,641,638	(3,907,329)	-	98,000	2,171,269

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

16 Funds (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre-16 high needs funding streams.

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the Academy Trust on conversion.

Fixed asset fund

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

DfE/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

Transfers between funds

Transfers to the restricted fixed asset fund represent the cost of fixed asset additions which have been funded from restricted or unrestricted general funds.

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

16 Funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2020 £
Restricted general funds						
General Annual Grant (GAG)	-	2,481,680	(2,481,680)	-	-	-
Pupil premium	-	91,776	(91,776)	-	-	-
UIFSM	-	107,323	(107,323)	-	-	-
PE and sports grant	-	21,960	(21,960)	-	-	-
Teachers' pay grant	-	51,203	(51,203)	-	-	-
Teachers' pension grant	-	92,063	(92,063)	-	-	-
English Hub	3,105	455,380	(278,651)	-	-	179,834
Local authority grants	-	49,142	(49,142)	-	-	-
Other educational activities	418,106	199,645	(315,251)	(42,915)	-	259,585
	421,211	3,550,172	(3,489,049)	(42,915)	-	439,419
Pension reserve	(1,521,000)	-	(191,000)	-	(196,000)	(1,908,000)
	(1,099,789)	3,550,172	(3,680,049)	(42,915)	(196,000)	(1,468,581)
Restricted fixed asset funds						
Fixed asset fund	3,786,341	-	(143,115)	54,633	-	3,697,859
ESFA capital grants (DFC)	-	11,718	-	(11,718)	-	-
	3,786,341	11,718	(143,115)	42,915	-	3,697,859
Total restricted funds	2,686,552	3,561,890	(3,823,164)	-	(196,000)	2,229,278
Total unrestricted funds	103,764	5,918	-	-	-	109,682
Total funds	2,790,316	3,567,808	(3,823,164)	-	(196,000)	2,338,960

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

17 Analysis of net assets between funds

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	3,551,882	3,551,882
Current assets	110,523	771,425	-	-	881,948
Current liabilities	-	(203,561)	-	-	(203,561)
Pension scheme liability	-	-	(2,059,000)	-	(2,059,000)
Total net assets	110,523	567,864	(2,059,000)	3,551,882	2,171,269

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

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	3,697,859	3,697,859
Current assets	109,682	659,906	-	-	769,588
Current liabilities	-	(220,487)	-	-	(220,487)
Pension scheme liability	-	-	(1,908,000)	-	(1,908,000)
Total net assets	109,682	439,419	(1,908,000)	3,697,859	2,338,960

18 Long-term commitments, including operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020/21	2019/20
	£	£
Amounts due within one year	2,642	2,642

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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

	2020/21 £	2019/20 £
Net expenditure for the reporting period	(265,691)	(255,356)
Adjusted for:		
Depreciation	147,013	143,115
Capital grants from DfE and other capital income	(11,695)	(11,718)
Interest receivable	(841)	(2,338)
Defined benefit pension scheme cost less contributions payable	218,000	163,000
Defined benefit pension scheme finance cost	31,000	28,000
Increase in debtors	(16,417)	(6,729)
Decrease in creditors	(16,926)	(85,556)
Net cash provided by / (used in) Operating Activities	<u>84,443</u>	<u>(27,582)</u>

20 Cash flows from investing activities

	2020/21 £	2019/20 £
Dividends, interest and rents from investments	841	2,338
Increase in current asset investments	(100,000)	(25,000)
Purchase of tangible fixed assets	(1,036)	(54,633)
Capital grants from DfE Group	11,695	11,718
Net cash used in investing activities	<u>(88,500)</u>	<u>(65,577)</u>

21 Analysis of cash and cash equivalents

	2020/21 £	2019/20 £
Cash at bank and in hand	<u>582,471</u>	<u>586,528</u>

22 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Acquisition/ disposal of subsidiaries £	New finance leases £	Other non-cash changes £	At 31 August 2021 £
Cash	586,528	(4,057)	-	-	-	582,471
Total	<u>586,528</u>	<u>(4,057)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>582,471</u>

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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/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.

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 Hampshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £51,006 were payable to the schemes at 31 August 2021 (2020: £51,643) 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. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four 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 for 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%.

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

24 Pension and similar obligations (continued)

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

The employer's pension costs paid to TPS in the period amounted to £327,469 (2020: £319,585).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was as follows:

	2021 £	2020 £
Employer's contributions	133,000	147,000
Employees' contributions	41,000	41,000
	<u>174,000</u>	<u>188,000</u>

The agreed contribution rates for future years are 18.9% for employers and 5.5% to 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 an Academy Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2021	2020
Rate of increase in salaries	3.6%	3.3%
Rate of increase for pensions in payment/inflation	2.6%	2.3%
Discount rate for scheme liabilities	1.7%	1.7%
Inflation assumption (CPI)	<u>2.6%</u>	<u>2.3%</u>

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

	2021	2020
Retiring today		
Males	23.1	23.0
Females	<u>25.5</u>	<u>25.5</u>
Retiring in 20 years		
Males	24.8	24.7
Females	<u>27.3</u>	<u>27.2</u>

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

24 Pension and similar obligations (continued)

Sensitivity analysis

Increase/(reduction) in defined benefit obligation

	2021	2020
	£	£
Discount rate +0.1%	(119,000)	(102,000)
Discount rate -0.1%	124,000	106,000
Mortality assumption – 1 year increase	183,000	152,000
Mortality assumption – 1 year decrease	(178,000)	(148,000)

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

	2021	2020
	£	£
Equities	1,657,000	1,317,000
Gilts	522,000	450,000
Property	176,000	139,000
Cash	20,000	37,000
Other	511,000	379,000
Total market value of assets	2,886,000	2,322,000

The actual return on scheme assets was £431,000 (2020: -£58,000).

Amount recognised in the Statement of Financial Activities

	2020/21	2019/20
	£	£
Current service cost	351,000	310,000
Interest income	(41,000)	(43,000)
Interest cost	72,000	71,000
Total amount recognised in the SOFA	382,000	338,000

Newman Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

24 Pension and similar obligations (continued)

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

	2020/21	2019/20
	£	£
At 1 September	4,230,000	3,717,000
Current service cost	351,000	310,000
Interest cost	72,000	71,000
Employee contributions	41,000	41,000
Actuarial loss	292,000	95,000
Benefits paid	(41,000)	(4,000)
At 31 August	<u>4,945,000</u>	<u>4,230,000</u>

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

	2020/21	2019/20
	£	£
At 1 September	2,322,000	2,196,000
Interest income	41,000	43,000
Actuarial gain / (loss)	390,000	(101,000)
Employer contributions	133,000	147,000
Employee contributions	41,000	41,000
Benefits paid	(41,000)	(4,000)
At 31 August	<u>2,886,000</u>	<u>2,322,000</u>

25 Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.