



**Blessed Holy Family
Catholic Academy Trust**

**Annual Report and Financial
Statements**

31 August 2020

Company Limited by Guarantee
Registration Number
11830753 (England and Wales)

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Reference and administrative information

Members	The Westminster Diocesan Bishop The Chairman of the Diocesan Education Commission Diocesan Director of Education Diocesan Financial Secretary
Directors	Christopher Borkowski Brendan Byrne James Coyle Mary Elton John Hamilton Neville Ransley
Committee Chairs	James Coyle – Chair of the Trust Board John Hamilton – Chair of Finance and Audit Committee
Company Secretary	Catherine Hogan
Senior Leadership Team	The Sacred Heart Language College Geraldine Higgins – CEO/Executive Headteacher Margaret Nichols – CFO/School Business Manager Rose-Marie Sorohan – Head of School Alex Burgess – Assistant Headteacher Eileen Healy – Assistant Headteacher Leo Lambe – Assistant Headteacher Samantha Williams – Assistant Headteacher St George’s Catholic Primary School Deirdre Monaghan – Headteacher Helen Ahern – Deputy Headteacher St John Fisher Catholic Primary School Maria Conlon – Headteacher Margaret Cokayne – Deputy Headteacher Laura Thompson – Deputy Headteacher Carolyn O’Brien – Assistant Headteacher Sarah Baxter – Acting Assistant Headteacher St Joseph’s Catholic Primary School Christopher Briggs – Headteacher Carrie French – Deputy Headteacher Helen Cummins – Assistant Headteacher

Reference and administrative information

Registered office	The Sacred Heart Language College High Street Wealdstone Harrow United Kingdom HA3 7AY
Company registration number	11830753 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank 67 High Street Watford Birmingham OSC Arien House 2138 Coventry Road Sheldon Birmingham B26 3JW
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

Blessed Holy Family Catholic Academy Trust

Directors' Report

The Directors of Blessed Holy Family Catholic Academy Trust ('the Trust') are pleased to present their statutory report and the audited financial statements for the year to 31 August 2020 (comparative information has been presented for the period from 15 February 2019 to 31 August 2019).

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and it is also the report of the Directors for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 32 to 35 of the attached financial statements. They comply with the Trust's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

The Trust operates four academies: The Sacred Heart Language College, an 11-16 Catholic girls' school, St George's Catholic Primary school including nursery provision, St Joseph's Catholic Primary School including nursery provision, and St John Fisher Catholic Primary School. All four schools serve the locality of the London Borough of Harrow.

The four academies had a combined pupil capacity of 2,280 and had a roll of 2,245 in the school census in October 2019. Two of the schools are expanding and the current capacity is 2,340 with a roll at October 2020 of 2,286.

This year has been unprecedented in the challenges that all schools have faced regarding the Covid-19 pandemic. The Directors recognise the additional workload, creative solutions, challenges to staff and pupils learning that this has brought to our schools. This has impacted progress, mental health and wellbeing alongside the financial effect on ensuring that all are safe and well across our community of schools. It is a testament to their strength and their leadership teams that this has been so successful.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The 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 Trust. The Education and Skills Funding Agency ('ESFA') carries out the role of principal regulator on behalf of the Department for Education.

Details of the Directors who served during the period are included in the Reference and Administrative Details on page 1.

Members' liability

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

Blessed Holy Family Catholic Academy Trust

Directors' Report

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors' indemnities

Subject to the provisions of the Companies Act, every Director or other officer of the Trust shall be indemnified out of the assets of the Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust.

Method of recruitment, appointment or election of Directors

The management of the Trust is the responsibility of the Directors who are appointed and co-opted under the terms of the Articles of Association and funding agreement as follows:

- The number of Directors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum;
- There will be a minimum of 2 Parent Directors at the time of appointment;
- Any Directors appointed by the Secretary of State for Education; and
- The Diocesan Bishop shall appoint such number of Foundation Directors as shall ensure that at all times the number of Foundation Directors exceeds the other Directors (including any Co-opted Directors) by at least two.

The term of office for any Director is four years. All Directors are appointed based on a needs analysis and the competencies and skills they will bring to the Trust. The Headteacher's term of office runs parallel with his/her term of appointment. Subject to remaining eligible to be a particular type of Director, any Director may be reappointed or re-elected.

Policies and procedures adopted for the induction and training of Directors

The training and induction provided for new Directors will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new Directors are given a tour of the Trust and the chance to meet with staff and students. All Directors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as Directors of the Trust. All Trust Directors have extensive experience as school Governors.

Organisational structure

For the period covered by these financial statements, the Board of Directors was responsible for overseeing the Local Governing Bodies at each of the four schools.

Each school within the Trust has established a management structure to enable its efficient running.

The Trust Board has considered its role carefully and undertakes regular self-evaluation to ensure it is fit for purpose. The role of Directors is to approve the strategic direction and objectives of each school and monitor its progress towards these objectives.

Blessed Holy Family Catholic Academy Trust

Directors' Report

Organisational structure (continued)

The Trust Board has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. The Local Governing Body has delegated responsibility for each school and the Headteacher is directly responsible for the day to day running of the Trust and is assisted by a senior leadership team.

Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the school by use of budgets and making major decisions about the direction of the school, including capital expenditure and senior staff appointments.

The CEO takes on the role of the Chief Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include the CEO, Trust Board, Headteachers and the Chief Financial Officer for the Trust.

The pay of the CEO and CFO are set by the Directors. The salary of each Headteacher is set by the Local Governing Body on the advice of each school's pay review panel. The Trust follows a clear performance development/management process with pay awards reflecting a careful review of performance against clear objectives.

Directors do not receive any remuneration.

All pay is set in line with Diocesan advice and benchmarked against national data.

Trade Union Facilities Time

The Trust did not employ any relevant trade union officials during the year.

Related parties and other connected charities and organisations

All four schools are the founding members of the Blessed Holy Family Catholic Academy Trust. The Trust has not entered into any related parties and other connected charities and organisations arrangements at present. As a group of schools, we are actively involved in working with local partnerships, the broader Catholic community of schools and the Diocese of Westminster to ensure that our young people continue to flourish and thrive.

The Trust provides a procurement framework through the Church Marketplace that enables its member academies to access commercial services that ensure value for money and consistent quality. For these commercial services the Trust has entered into agreements with commercial providers of back office services including: legal, HR, Payroll, insurance, financial systems and accountancy services.

Blessed Holy Family Catholic Academy Trust

Directors' Report

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object of the Trust is the advancement of the Catholic religion in the Diocese by such means as the Diocesan Bishop may think fit and proper by, but without prejudice to the generality of the foregoing:

- the establishing, maintaining, carrying on, managing and developing our Catholic schools in accordance with the principles of the Catholic Church.
- subject to the approval of the Diocesan Bishop, the establishing, maintaining, carrying on, managing and developing other schools.
- living our Faith through our commitment to the Common Good.

The object and activity of the Trust is the operation of four schools to provide a broad and balanced education for pupils of all abilities in a Catholic context in the Harrow area. The Directors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the Trust.

In accordance with the Articles of Association, the Trust has adopted a "Scheme of Government" approved by the Secretary of State for Education. This Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each school.

Our Vision

Our objectives are driven by our vision and mission to serve our communities as outlined below.

- To provide a seamless Catholic education from nursery to adulthood where all are enabled to grow and learn together in Christ.
- To be united as a family of schools ensuring our ongoing success as centres of excellence for the formation of our young people today and for the future.
- To be a thriving centre of excellence in Catholic education that is dynamic and outward looking enabling us to adhere to our core values as a Catholic community.

Our Mission

- Learning and Living – that we provide a rich experience of learning helping all to grow and thrive, living life to the full as God has called us to do.
- Openness – that we are open to new ideas and experiences confident in God's love for us.
- Vocation – that we respond to our calling to create a climate where all are enabled to grow and flourish.
- Excellence – we collaborate to create a community where all are supported to develop their God given gifts and talents in their search for excellence.

Blessed Holy Family Catholic Academy Trust

Directors' Report

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities

Each of the schools within the Trust have undertaken self-evaluation activities to correctly identify objectives for the next year.

At Trust level our focus is:

- To develop more effective relationships between all stakeholders to positively impact on the ethos of the Trust and fruition of our vision.
- To establish robust systems to ensure the operational effectiveness of the Trust in its first full year of operation.
- The development of middle and senior leadership to generate capacity and future succession planning in catholic education.
- To ensure consistency in KS2 outcomes and levels of progress.
- To evaluate progression throughout all phases of education across the Trust to ensure high attainment outcomes and progress are maintained.
- To ensure curriculum design that is creative, inclusive and challenging enabling pupils to develop a love of learning and development of skills.
- To share expertise in securing consistently outstanding teaching and learning.
- To develop pupil confidence and engagement with their learning.
- To ensure best value for money is secured through procurement.
- To ensure all schools within the Trust sustain outstanding outcomes in section 48 for the Catholic life of the school and secure outstanding for religious literacy across the Trust.

This year an additional focus for the Trust is in ensuring that all schools have undertaken a rigorous risk assessment and are in a strong position to offer a safe, secure continuous education enabling all to maintain and make further progress in light of disruption caused by Covid-19.

Each school undertakes a cycle of self-evaluation that informs future objectives. Each individual school agrees its progress plan objectives with their Local Governing Body which is reported to the Trust Board.

Blessed Holy Family Catholic Academy Trust

Directors' Report

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

The following are key objectives specific to each school within the Trust:

St George's Catholic Primary School

- Further address recommendations from previous Ofsted and Diocesan inspections.
- Raise standards in KS1 Reading.
- Ensure that plans for the curriculum consider the sequencing of learning in order to deepen pupils' knowledge and understanding, and that these plans are implemented effectively.
- Implement new Relationships & Sex Education policy.
- Undertake a project to expand and enhance outdoor learning.

St John Fisher Catholic Primary School

- Introduce a new assessment framework in Religious Education.
- Ensure strategies are in place to further challenge targeted groups to work more independently.
- Ensure the attainment and progress in writing is in line with RE, Reading and Mathematics.
- Embed a mastery approach supported by the Maths Team.
- Introduce iPads and appropriate apps to support and enhance learning in all areas of the curriculum.
- To ensure that embedding a whole-school approach to PSHE will support pupils' mental health and emotional well-being whilst addressing the impact of the Covid-19.

St Joseph's Catholic Primary School

- Ensure that systems and protective measures are in place to keep the school open for as many pupils as possible – with a well-communicated plan to all stakeholders.
- Ensure the recovery curriculum is in place – with clear provision to support wellbeing.
- Ensure there is accurate assessment in each year group to create a baseline and identify gaps and ensure appropriate intervention can be put in place to ensure catch-up.
- Continue to develop and implement a coherent blended and remote learning.

Blessed Holy Family Catholic Academy Trust

Directors' Report

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

The Sacred Heart Language College

- Development of our excellence framework.
- Community foci – Sense of belonging, development of the whole person, wellbeing of all and ensuring that all are valued and feel valued.
- Learning foci – Curriculum fit for purpose, effective data and assessment, pupils known as individuals and pupils leading their own learning.
- Leadership foci – Staff CPD, developing our self-evaluation and ensuring we are secure in our resources to meet the needs of the school.

Across the Trust all schools have shared objectives on:

- Ensuring all protective measures are in place to ensure the safety and wellbeing of all in our Covid-19 planning.
- Developing expertise for staff and pupils in the use of remote learning to support pupil progress and ensure that all identified groups make comparable progress.
- Organising a targeted intervention and catch up programme.
- Enabling a broad and balanced curriculum to be maintained.
- Ensure the wellbeing of all staff and pupils.
- Support staff and pupils who are experiencing bereavement or increased levels of anxiety.
- Addressing the needs of disadvantaged groups to ensure support and equal access to interventions and ICT to support learning.
- Ensuring that our most vulnerable groups are not disproportionately affected through liaising with families and external services.
- Supporting families with information in respect of access to free school meals.

Blessed Holy Family Catholic Academy Trust

Directors' Report

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

Public benefit

In setting the objectives, the Local Governing Bodies have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

As a Catholic Academy Trust we make the best use of our skills, expertise and experience with regards to promoting the Common Good. For example:

- Sports Leader programmes that provide sporting activities to local Primary Schools.
- Safeguarding training and support.
- Language College support to local Primary Schools.
- Raising money for local, national and international charities.
- Providing community events such as concerts.

Engagement with employees

All schools within the Trust foster strong relationships with employees. Regular staff meetings, training days and specific leadership group meetings take place ensuring that all work is aligned to fulfil the vision and mission statement. Across the Trust, the schools have regular briefing meetings providing opportunities to provide employees with information pertinent to them, their role and their performance.

The key strategic priorities of each school is developed as part of an annual self-evaluation cycle where the views of all employee stakeholders are taken into consideration. All schools share these priorities and revisit their mission statement at least once a year.

The performance of employees is key to the success of all schools and the Trust as a whole. Performance management processes ensure that all employees have specific targets that reflect the whole school priorities. All staff are aware of the role they play in promoting the performance of pupils.

Schools across the Trust also undertake a rolling programme of staff surveys to monitor staff wellbeing.

Blessed Holy Family Catholic Academy Trust

Directors' Report

STRATEGIC REPORT

Achievements and performance

During the year the Trust educated 2,245 pupils through primary to secondary. All of the schools are judged to be good or outstanding by Ofsted and outstanding for the Catholic life of the school in its Diocesan Section 48 inspection.

All of the schools continue, despite the current Covid-19 restrictions, to offer a rich and broad curriculum preparing pupils of all abilities with the skills needed for the next stage of their education. The focus is on developing social and cultural capital to enable all pupils to be confident, learned, well-rounded young people who are empowered to make a positive contribution to society.

Key Performance Indicators

Due to Covid-19, all Key Stage 1 and Key Stage 2 testing was cancelled. Up to that point the educational performance of the Trust painted a positive picture of continued development. For the purposes of external accountability performance tables have been cancelled for this year. Ofsted have been clear that they will look at the last set of externally verified data to inform judgements.

Below is the outcomes from the last set of external data for our Trust primary schools.

Key Stage 1 Outcomes (Percentage)

	Key Stage 1 Phonics (year 1)	Reading Expected standard	Reading Greater depth	Writing Expected standard	Writing Greater depth	Maths Expected standard	Maths Greater depth
St George's	88	75	21	77	16	74	26
St John Fisher	95	93	46	86	36	89	42
St Joseph's	93	80	27	80	20	80	25

All primary academies within the Trust were above national for each of these measures.

Key Stage 2 Outcomes Standard Pass (Percentage)

	Reading	Grammar	Writing	Maths
St George's	90	98	90	100
St John Fisher	90	95	92	98
St Joseph's	78	90	87	83

Blessed Holy Family Catholic Academy Trust

Directors' Report

STRATEGIC REPORT (continued)

Key Performance Indicators (continued)

Key Stage 2 Outcomes Greater Depth Pass (Percentage)

	Reading	Grammar	Writing	Maths
St George's	44	73	19	66
St John Fisher	36	48	30	46
St Joseph's	45	53	43	40

All primary academies within the Trust were also above national for each of these measures.

The Sacred Heart Language College is the only secondary academy within the Trust. It continues to be an outstanding girls school serving the disadvantaged community of Wealdstone in Harrow. The Key Performance Indicators for this school continue to be high and significantly above national measures.

GCSE examinations were cancelled due to Covid-19. Pupils continued to put considerable work into their remote studies and preparing themselves for the next stage of their education post-16. All subjects underwent extensive internal standardisation processes and submitted centre assessed grades to the examination boards. GCSE results are the outcome of the centre assessed grades and a nationally applied algorithm.

Key Stage 4 GCSE Outcomes

	Outcome %
5 4-9 including English and maths	86
Grade 7-9	50
Standard pass in English and maths	88
Strong pass in English and maths	74
Achieving English baccalaureate	77

Blessed Holy Family Catholic Academy Trust

Directors' Report

STRATEGIC REPORT (continued)

Key Performance Indicators (continued)

Attendance Data 2019-20

Academy	Overall attendance %
St George's	96
St John Fisher	95
St Joseph's	94
The Sacred Heart Language College	95

The attendance data for this year is an overall percentage reflecting the impact on school attendance due to Covid-19.

Going Concern

After making appropriate enquiries, the Directors have a reasonable expectation that the 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.

However, the Trust is also mindful of the considerable additional expenditure that has been necessary to ensure the schools are operating within DfE protective measures in light of Covid-19. Schools across the Trust have also faced additional costs for staffing to ensure that they can continue to operate safely and remain open to everyone. This will be an ongoing focus for the Trust Board in relation to monitoring this impact. Additional funds were applied for and partially secured from the DfE to meet the initial costs, however, these costs are ongoing.

Blessed Holy Family Catholic Academy Trust

Directors' Report

FINANCIAL REVIEW

The year ended 31 August 2020 was the first full year of the Trust's operations with the comparative information in brackets within the Financial Review representing the short period from 15 February 2019 to 31 August 2019.

Financial report for the year

The Trust's total income for the year to 31 August 2020 amounted to £12,946k (2019: £4,361k). In the prior period, a further amount of £1,443k was inherited as part of the budget surplus from London Borough of Harrow and an associated LGPS deficit of £6,101k. Total expenditure on charitable activities amounted to £13,098k (2019: £4,427k) of which 82% (2019: 81%) relates to staff costs which totalled £10,768k (2019: £3,419k) for the year to 31 August 2020.

The bulk of the Trust's income was obtained from the ESFA, an agency of the DfE, the use of which is restricted to particular educational purposes. The grants received from the ESFA in the year ended 31 August 2020 and the associated expenditure are shown as restricted in the statement of financial activities.

The operational surplus for the year was £199k (2019: £94k), after excluding the pension adjustments in respect of the Local Government Pension Schemes, the movements on the fixed assets fund and net assets inherited upon the conversion of the four schools into the Trust. The reported deficit on the statement of financial activities therefore stands at £8k (2019: £4,879k).

Overall, the Trust has a healthy cash flow and will be using the reserves to maintain the current assets and also to invest back into the schools in the form of additional resources and facilities both in the long term and short term in conjunction with the Trust development plan and schools aims.

The Trust Board through the Finance Committee and CEO receive financial progress reports throughout the year, comparing results against budgets submitted to the ESFA. The Finance Committee also reviews longer term financial models (up to 5 years) to plan and organise resources most effectively to fulfil the aims of the Trust.

Financial position

The Trust holds unrestricted funds of £1,736k (2019: £1,537k) and a further £333k (2019: £77k) in the restricted fixed assets fund. Despite this, the Trust's overall fund balances at 31 August 2020 showed a negative reserves of £4,887k (2019: £4,879k) which is the result of the deficit of £6,956k (2019: deficit of £6,493k) on the Trust's share of the Local Government Pension Scheme. The movements in the pension scheme reserve are shown in the notes to the financial statements.

Reserves Policy

The level of reserves takes into account the nature of income and expenditure streams, the need to match them with future commitments, including future capital projects, and the nature of reserves. The Directors will keep this level of reserves under review. The Trust Board are aware of the increasing cost pressures in pension and national insurance contributions so have deemed that it is prudent to maintain at least one month's salary in reserve for future operational costs. At 31 August 2020, the level of free reserves of £1,736k is significantly higher than the agreed policy as a result of the funds being transferred into the Trust on conversion and the Board consider this to be prudent given the current Covid-19 pandemic. The Board will continue to monitor this as the Trust grows.

Blessed Holy Family Catholic Academy Trust

Directors' Report

FINANCIAL REVIEW (continued)

Investment policy

It should be noted that the Trust has substantial power with regards to investments due to cash balances held. The investment policy is determined at Trust level and this ensures the level of funds the Trust holds can cover any immediate expenditure, without exposing the schools to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. At 31 August 2020, all funds were held in cash at bank and no listed investments were held.

Principal risks and uncertainties

The Trust's system of internal controls ensures that risk is minimal.

The Trust Board have assessed the major risks to which the Trust are exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The Local Governing Bodies have implemented a number of systems to assess risks that the school faces, especially in the operational areas such as health and safety and in relation to the control of finance. Where significant financial risk still remain they have ensured they have adequate insurance cover.

A risk register has been prepared for all schools within the Trust and at Trust level. Where appropriate, systems or procedures have been established to mitigate the risks the Trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The Trust places considerable reliance on continued government funding at levels that take account of pay and pension funding changes in the public sector and general inflation. Careful budgeting is a high priority and each school within the Trust is aware of the need to consider possible alternative solutions as staff leave and are recruited.

The Trust Board receives reports containing financial data including the individual school forecast of outturn reports as well as a commentary for significant variances.

Safeguarding of pupils is another key priority for all of the schools in the Trust. An annual audit of safeguarding is completed by each school's Safeguarding Lead and reported to the Board.

Procedures are also in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils. This has been a key focus of the work of the Trust in relation to measures to ensure the schools are fully operational and all feel safe and secure in our Covid-19 context.

The educational performance of each school is monitored by the CEO and shared with the Board.

Blessed Holy Family Catholic Academy Trust

Directors' Report

Fundraising

The Trust does not currently engage in any fundraising activity and does not work with professional fundraisers. Parental contributions are invited on a voluntary basis towards trips and extracurricular activities. The Trust Board are aware of the need to ensure that all funds that are raised are used responsibly for the best interests of the individual schools.

PLANS FOR FUTURE PERIODS

Over the coming financial year, the Trust plans to:

- Continue to provide a high-quality education to our pupils across the Trust ensuring academic attainment, achievement for all and the development of the whole person enabling them to progress to future success.
- Ensure that there is a clear programme of interventions across all schools ensuring that Covid 19 does not have a negative impact on the future life chances of our pupils.
- Further develop partnership working between the schools within the Trust to ensure continuity and progression in our curriculum offer.
- Develop the marketing of the schools to ensure future financial viability.
- Explore possibilities to expand our Trust to further extend Catholic educational offer within the local community.

AUDITOR

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors 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 Directors' report, incorporating a strategic report, was approved by order of the Board of Directors and signed on its behalf by:



James Coyle
Director

Date: 03/12/2020

Governance statement Year to 31 August 2020

Scope of responsibility

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

The Directors have delegated day-to-day responsibility to the Chief Executive Officer of the Trust, as Accounting Officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Directors any material weaknesses or breakdowns in internal control.

Governance

As Directors, we have reviewed and taken account of the guidance in the DfE's Governance Handbook and commenced work on a review process for the Trust Board and across all of the Local Governing Bodies within the schools.

The information on governance included here supplements that described in the Directors' Report and in the statement of Directors' responsibilities.

The Directors have formally met 6 times during the year with 3 of these being full Trust Board meetings. As all of the Directors are also members of the Finance Committee, the 6 Finance Committee meetings also provide further opportunities to discuss key aspects of the work of the Trust.

Attendance during the year for full Board meetings was as follows:

Director	Meetings attended	Out of a Possible
C P Borkowski	2	3
B J Byrne	3	3
J Coyle	3	3
M Elton	3	3
J Hamilton	3	3
N G Ransley	2	3

Governance statement Year to 31 August 2020

Governance (continued)

The Finance Committee is a sub-committee of the main Board. During the year ended 31 August 2020, the Finance Committee also fulfilled the role of an Audit Committee as permitted by the 2019 Academies Financial Handbook. Attendance at meetings during the year by the Directors was as follows:

Director	Meetings attended	Out of a Possible
C P Borkowski	5	6
B J Byrne	6	6
J Coyle	6	6
M Elton	6	6
J Hamilton	6	6
N G Ransley	5	6

Prior to the formation of the Trust, an evaluation of governance, including Directors' skills, was undertaken. The conclusion of the evaluation was that Directors have a broad range of skills and experience that are appropriate for the Trust to fulfil its responsibilities of encouraging the provision of high-quality education and of ensuring financial probity and security. The skills and experience of Board members range from IT, education, premises and building development, governance and audit.

We will regularly review the effectiveness of our governance to ensure that appropriate steps are taken if weaknesses are identified.

Review of value for money

In our initial lockdown the principles of PPN 02/20 and 04/20 were applied for our ISS catering company to ensure their services were able to return when school fully re-opened.

Supply and demand at a time of great necessity meant that the principles of best value for money were not met when we were sourcing initial supplies of PPE, cleaning products and hand sanitiser. This is a focus for ongoing monitoring.

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources and is ably supported by the CFO. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Directors where value for money can be improved, having regards to benchmarking data where appropriate. The Accounting Officer for the Trust has achieved improved value for money during the financial year by:

- starting a review of 'shared roles' across schools so that certain roles can span across the schools in the Trust; and
- reviewing schools' existing Service Level Agreements for economic efficiencies.

Governance statement Year to 31 August 2020

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of rust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year to 31 August 2020 to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

In particular it includes:

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

In accordance with the FRC Ethical Standard the Trust has appointed Landau Baker to provide independent internal scrutiny with effect from the 2020/21 financial year. This was previously supplied by our external auditors, Buzzacott LLP. This is in addition to the peer reviews across schools to monitor and review the implementation of all financial policies and protocols that remain in place. This enables an efficient process to be in place to discuss the findings and help implement any required recommendations.

Governance statement Year to 31 August 2020

The risk and control framework (continued)

Checks undertaken during the year covered the following areas:

- Bank reconciliations;
- Monthly payroll;
- Expenses claims;
- Oversight of outstanding debtors and creditors;
- Petty cash protocols; and
- Checking that all financial procedures are followed.

The Trust Finance team are now based centrally, having previously been based in one of the schools. During the course of the year there has been a focus on key areas of risk. The team remind schools about the importance of internal controls and procedures in order to design and build a culture of financial probity.

Review of effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. In the first months of operation this review has been informed by:

- the work of the external auditor, including their internal assurance review;
- the financial management and governance self-assessment process;
- the work of the Chief Financial Officer and the finance teams within the 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 Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Directors and signed on their behalf by:



James Coyle

Chair of the Trust Board



Geraldine Higgins

CEO and Accounting Officer

Statement on regularity, propriety and compliance Year to 31 August 2020

As Accounting Officer of the Trust, I have considered my responsibility to notify the Trust's Board of Directors and the Education and Skills Funding Agency ('ESFA'), of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. As part of our consideration we have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



Chief Executive Officer and Accounting Officer

Date: 03/12/2020

Statement of Directors' responsibilities Year to 31 August 2020

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law, the Directors 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 Trust and of its income and expenditure, for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP FRS 102 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors are responsible for the maintenance and integrity of the charity and financial information included on the Trust'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 Board of Directors on 03/12/2020 and signed on its behalf by:



James Coyle
Chair of Trust Board

Independent auditor's report on the financial statements Year to 31 August 2020

Independent auditor's report on the financial statements to the members of Blessed Holy Family Catholic Academy Trust

We have audited the financial statements of Blessed Holy Family Catholic Academy Trust ('the Trust') for the year to 31 August 2020, which comprise the statement of financial activities, 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 and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP FRS 102) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP FRS 102 and Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Independent auditor's report on the financial statements Year to 31 August 2020

Other information (covers the reference and administrative details, the Directors' report and strategic report and the governance statement)

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report including the strategic report.

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

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

Independent auditor's report on the financial statements Year to 31 August 2020

Responsibilities of Directors

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

In preparing the financial statements, the Directors 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 Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Katharine Patel, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Dated: 14 December 2020

Independent reporting accountant's report on regularity Year to 31 August 2020

Reporting accountant's assurance report on regularity to Blessed Holy Family Catholic Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 19 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Blessed Holy Family Catholic Academy Trust ('the Trust') during the year to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Blessed Holy Family 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 Blessed Holy Family 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 Blessed Holy Family Catholic Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Blessed Holy Family Catholic Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Blessed Holy Family Catholic Academy Trust funding agreement with the Secretary of State for Education dated 30 August 2018 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

Independent reporting accountant's report on regularity Year to 31 August 2020

Approach (continued)

- An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

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



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Dated: 14 December 2020

Statement of financial activities Year to 31 August 2020
(Including Income and Expenditure Account)

		Restricted funds				Total funds
	Unrestricted general fund £'000	General £'000	Fixed assets Fund £'000	Total funds 31 August 2020 £'000	15 February 2019 to 31 August 2019 £'000	
Income from:						
Donations and capital grants	1	269	—	260	529	118
Charitable activities						
. Funding for the academies' educational operations	2	406	11,887	—	12,293	4,124
Other trading activities	3	123	—	—	123	119
Investments		1	—	—	1	—
Total		799	11,887	260	12,946	4,361
Expenditure on:						
Charitable activities						
. Trust's educational operations	5	405	12,669	24	13,098	4,427
Transfer from local authority on conversion	16	—	—	—	—	4,658
Total		405	12,669	24	13,098	9,085
Net income (expenditure) before transfers		394	(782)	236	(152)	(4,724)
Transfers between funds		(195)	175	20	—	—
Net income (expenditure) for the year		199	(607)	256	(152)	(4,724)
Other recognised gains and losses						
Actuarial gains (losses) on defined benefit pension scheme	20	—	144	—	144	(155)
Net movement in funds		199	(463)	256	(8)	(4,879)
Reconciliation of funds						
Total fund balances brought forward at 1 September 2019		1,537	(6,493)	77	(4,879)	—
Total fund balances carried forward at 31 August 2020		1,736	(6,956)	333	(4,887)	(4,879)

All of the Trust's activities derived from continuing operations during the above financial periods.

The Trust has no recognised gains or losses other than those shown above.

Balance sheet At 31 August 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Tangible fixed assets	10		267		50
Current assets					
Debtors	11	460		418	
Cash at bank and in hand		2,302		1,788	
		<u>2,762</u>		<u>2,206</u>	
Liabilities					
Creditors: amounts falling due within one year	12	(960)		(642)	
Net current assets			1,802		1,564
Total assets less current liabilities			<u>2,069</u>		<u>1,614</u>
Total net assets excluding pension scheme liability			2,069		1,614
Pension scheme liability	20		(6,956)		(6,493)
Total net (liabilities) assets			<u>(4,887)</u>		<u>(4,879)</u>
The funds of the Trust:					
Restricted funds					
. Fixed asset fund	13	333		77	
. Restricted income fund	13	—		—	
. Pension reserve	13	(6,956)		(6,493)	
Total restricted funds			(6,623)		(6,416)
Unrestricted funds					
. General fund	13		1,736		1,537
Total funds			<u>(4,887)</u>		<u>(4,879)</u>

Approved by the Directors of Blessed Holy Family Catholic Academy Trust, Company Registration No. 11830753 (England and Wales) and signed on their behalf by:



James Coyle
Chair of the Board

Approved on: 03/12/2020

Statement of cash flows Year to 31 August 2020

	Note	31 August 2020 £'000	15 February 2019 to 31 August 2019 £'000
Net cash inflow from operating activities			
Net cash provided by operating activities	A	495	1,797
Cash flows from investing activities			
	B	19	(9)
Change in cash and cash equivalents		514	1,788
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2019		1,788	—
Cash and cash equivalents at 31 August 2020	C	2,302	1,788

A Reconciliation of net expenditure to net cash flow from operating activities

	31 August 2020 £'000	15 February 2019 to 31 August 2019 £'000
Net expenditure for the period (as per the statement of financial activities)	(152)	(4,724)
Adjusted for:		
Depreciation (note 10)	24	3
Capital grants from DfE and other capital income	(260)	(44)
Defined benefit pension scheme obligation inherited	—	6,101
Defined benefit pension scheme cost less contributions payable (note 20)	486	188
Defined benefit pension scheme finance cost (note 20)	121	49
Increase in debtors	(42)	(418)
Increase in creditors	318	642
Net cash provided by operating activities	495	1,797

B Cash flows from investing activities

	31 August 2020 £'000	15 February 2019 to 31 August 2019 £'000
Purchase of tangible fixed assets	(241)	(53)
Capital grants from DfE/ESFA	260	44
Net cash provided by (used in) investing activities	19	(9)

Statement of cash flows Year to 31 August 2020

C Analysis of cash and cash equivalents

	31 August 2020 £'000	31 August 2019 £'000
Cash at bank and in hand	2,302	1,788
Total cash and cash equivalents	2,302	1,788

The Trust does not have any borrowings or lease obligations. As a result, net debt consists solely of the cash at bank and in hand.

Principal accounting policies Year to 31 August 2020

Statement of accounting policies

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

Basis of preparation

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

Blessed Holy Family Catholic Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements have been presented in sterling and are rounded to the nearest thousand pounds.

Going concern

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties relating to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation of the issue of the financial statements.

The Directors have considered the impact of the current coronavirus pandemic on the Trust's operations. While they acknowledge the disruption caused by the pandemic to the Trust's day-to-day operations, they do not consider the pandemic to be cause for material uncertainty in respect to the Trust's ability to continue as a going concern. The Trust has and is continuing to develop contingency plans which are being implemented successfully and the Directors have therefore concluded that consider that the Trust has sufficient resources to continue for the foreseeable future, despite the current situation, and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

The General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Principal accounting policies Year to 31 August 2020

Income (continued)

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. Any gifts in kind are estimated as the value of the services provided to the Trust, had they been procured on an open market basis.

Other income

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

Transfer on conversion

Where assets are received by the Trust on conversion of a school to academy status, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income.

Properties utilised by academies joining the Trust are recognised on the Trust's balance sheet as tangible fixed assets where the Trust has ultimate control over the right to access and the right to carry out works on the property. Where the freehold to a property is owned or held on Trust by the Diocese, control of the right of access to and right to carry out works on the property ultimately resides with this body and the property is therefore not recognised in the balance sheet.

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.

Charitable activities

These are costs incurred in relation to the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities. All expenditure is stated net of recoverable VAT.

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. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

Principal accounting policies Year to 31 August 2020

Tangible fixed assets (continued)

◆ Freehold and long leasehold buildings	2% per annum
◆ Fixtures, fittings and equipment	20% per annum
◆ IT equipment	25% per annum
◆ Motor vehicles	20% per annum

Depreciation is charged from the month of acquisition.

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

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand.

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 Trust expects it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Taxation

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

Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 as detailed in the notes to the financial statements. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors and accruals are financial instruments, and are measured at amortised cost as detailed in the notes to the financial statements.

Principal accounting policies Year to 31 August 2020

Leased assets

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

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

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

Critical accounting estimates and areas of judgement

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

The 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.

Principal accounting policies Year to 31 August 2020

Critical accounting estimates and areas of judgement (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the financial statements Year to 31 August 2020

1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed asset funds £'000	Year to 31 August 2020 Total funds £'000	Period to 31 August 2019 Total funds £'000
Capital grants	—	260	260	44
Donations	269	—	269	74
2020 Total funds	269	260	529	118

	Unrestricted funds £'000	Restricted fixed asset funds £'000	Period to 31 August 2019 Total funds £'000
Capital grants	—	44	44
Donations	74	—	74
2019 Total funds	74	44	118

2 Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Year to 31 August 2020 Total funds £'000	Period to 31 August 2019 Total funds £'000
DfE/ESFA revenue grants				
. General Annual Grant (GAG)	—	9,909	9,909	3,430
. Start Up grants	—	—	—	94
. Other DfE/ESFA	—	1,185	1,185	307
	—	11,094	11,094	3,831
Other government grants				
. Local authority grants	—	734	734	138
	—	734	734	138
Exceptional government funding				
. Coronavirus job retention scheme grant	—	42	42	—
. Coronavirus exceptional support	—	17	17	—
	—	59	59	—
Other income from the Trust's educational operations	406	—	406	155
2020 Total funds	406	11,887	12,293	4,124

Notes to the financial statements Year to 31 August 2020

2 Funding for the Trust's educational operations (continued)

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

The Trust furloughed staff members for the after-school club provision under the government's Coronavirus Job Retention Scheme. The funding received of £42,000 relates to staff costs in respect of 12 staff members which are included within note 6 below as appropriate.

The funding received for coronavirus exceptional support of £17,000 related to staffing, PPE and cleaning materials costs. These costs are included in notes 4 and 5 below as appropriate.

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Period to 31 August 2019 Total funds £'000</i>
DfE/ESFA revenue grants			
. General Annual Grant (GAG)	—	3,430	3,430
. Start Up grants	—	94	94
. Other DfE/ESFA	—	307	307
	—	3,831	3,831
Other government grants			
. Local authority grants	—	138	138
	—	138	138
Other income from the Trust's educational operations	155	—	155
2019 Total funds	155	3,969	4,124

3 Other trading activities

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	Year to 31 August 2020 Total funds £'000	<i>Period to 31 August 2019 Total funds £'000</i>
Hire of facilities	14	—	14	6
Catering income	49	—	49	30
Trip income	36	—	36	77
Miscellaneous income	24	—	24	6
2020 Total funds	123	—	123	119

Notes to the financial statements Year to 31 August 2020

3 Other trading activities (continued)

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Period to 31 August 2019 Total funds £'000</i>
<i>Hire of facilities</i>	6	—	6
<i>Catering income</i>	30	—	30
<i>Trip income</i>	77	—	77
<i>Miscellaneous income</i>	6	—	6
2019 Total funds	119	—	119

4 Expenditure

	<u>Non pay expenditure</u>			Year to 31 August 2020 Total funds £'000	<i>Period to 31 August 2019 Total funds £'000</i>
	<i>Staff costs £'000</i>	<i>Premises £'000</i>	<i>Other costs £'000</i>		
<i>Charitable activities</i>					
.. Direct costs	8,492	24	518	9,034	2,784
.. Allocated support costs	2,276	650	1,138	4,064	1,643
2020 Total funds	10,768	674	1,656	13,098	4,427

	<u>Non pay expenditure</u>			<i>Period to 31 August 2019 Total funds £'000</i>
	<i>Staff costs £'000</i>	<i>Premises £'000</i>	<i>Other costs £'000</i>	
<i>Charitable activities</i>				
.. Direct costs		2,572	3	2,784
.. Allocated support costs		847	211	1,643
2019 Total funds		3,419	214	4,427

	Year to 31 August 2020 Total funds £'000	<i>Period to 31 August 2019 Total funds £'000</i>
Net expenditure for the period includes:		
Operating leases	17	1
Depreciation	24	3
Fees payable to auditor		
. Statutory audit	10	10
. Other services	9	5

Notes to the financial statements Year to 31 August 2020

5 Charitable activities - Trust's educational operations

	Year to 31 August 2020 Total funds £'000	Period to 31 August 2019 Total funds £'000
Direct costs	9,034	2,784
Support costs	4,064	1,643
	13,098	4,427

	Year to 31 August 2020 Total funds £'000	Period to 31 August 2019 Total funds £'000
Analysis of support costs		
Support staff costs	2,276	847
Premises costs	651	211
Technology costs	50	—
Legal costs – conversion	—	24
Legal costs – other	6	24
Other support costs	955	479
Professional fees	107	39
Governance costs	19	19
Total support costs	4,064	1,643

6 Staff

(a) Staff costs

Staff costs during the year were:

	2020 Total funds £'000	2019 Total funds £'000
Wages and salaries	7,594	2,482
Social security costs	753	232
Pension costs	2,142	627
	10,489	3,341
Supply teacher costs	279	78
	10,768	3,419

Notes to the financial statements Year to 31 August 2020

6 Staff (continued)

(b) Staff numbers

The average numbers of persons (including senior management team) employed by the Trust during the year was as follows:

Charitable activities	2020 No.	2019 No.
Teachers	104	110
Administration and support	169	188
Management	19	17
	292	315

(c) Higher paid staff

The number of employees whose emoluments fell within the following bands (including taxable benefits but excluding employer pension contributions), during the reporting period, was:

	2020 No.	2019 No.
£60,001 - £70,000	6	—
£70,001 - £80,000	1	—
£80,001 - £90,000	2	—
£90,001 - £100,000	1	—
£130,001 - £140,000	1	—

Employer pension contributions made by the Trust on behalf of the above employees totalled £199,057.

(d) Key management personnel

The key management personnel of the Trust comprises the Directors 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 Trust was £1,564,482 (2019: £457,212).

7 Directors' remuneration and expenses

Directors did not receive any payments or remuneration from the Trust in respect of their role as Directors. None of the Directors were reimbursed expenses during the year in relation to their roles as Directors.

8 Central services

The Trust provided the following central services to its schools during the year:

- ◆ human resources
- ◆ financial services
- ◆ legal services
- ◆ educational support services
- ◆ training and continuing professional development
- ◆ pastoral support

Notes to the financial statements Year to 31 August 2020

8 Central services (continued)

The Trust charged for these services on the following basis: 1.5% of GAG income per school.

	2020 £'000	2019 £'000
St George's Primary Catholic Voluntary Academy	26	9
St John Fisher Catholic Primary School	33	11
The Sacred Heart Language College	63	27
St Joseph's Catholic Primary School	26	9
Total	148	56

9 Directors' and Officers' insurance

Directors indemnity insurance for the period was covered by as part of the services provided by Blessed Holy Family Catholic Academy Trust. The value of the insurance to the Trust is not separately identifiable and has therefore been excluded from the financial statements and the value has not been estimated as it is deemed not to have a material impact on the results for the period.

10 Tangible fixed assets

	Leasehold improvements £'000	Furniture and equipment £'000	Computer equipment £'000	Total funds £'000
Cost/valuation				
At 1 September 2019	13	33	7	53
Additions	220	14	7	241
At 31 August 2020	233	47	14	294
Depreciation				
At 1 September 2019	—	2	1	3
Charge in period	10	10	4	24
At 31 August 2020	10	12	5	27
Net book value				
At 31 August 2020	223	35	9	267
At 1 September 2019	13	31	6	50

Properties utilised by the Trust's academies are recognised on the Trust's balance sheet as tangible fixed assets where the Trust has ultimate control over the right to access and the right to carry out works on the property. Where the freehold to a property is owned or held on trust by the Westminster Diocese, control of the right of access to and right to carry out works on the property ultimately resides with them and the property is therefore not recognised in the balance sheet.

Notes to the financial statements Year to 31 August 2020

11 Debtors

	2020 £'000	2019 £'000
Trade debtors	3	112
VAT debtor	344	156
Other debtors	4	—
Prepayments and accrued income	109	150
	460	418

12 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	128	221
Taxation and social security	170	133
Other creditors	129	65
Accruals and deferred income	533	223
	960	642
Deferred income (included above)		
Deferred Income at 1 September 2019	167	—
Amounts released in year	(167)	—
Resources deferred in year	313	167
Deferred Income at 31 August 2020	313	167

Deferred income primarily relates to free school meal income received in the year for the 2020/21 financial year.

13 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	—	9,909	(10,084)	175	—
Pupil Premium	—	309	(309)	—	—
Other DfE/ ESFA grants	—	1,669	(1,669)	—	—
Pension reserve	(6,493)	—	(607)	144	(6,956)
	(6,493)	11,887	(12,669)	319	(6,956)
Restricted fixed asset funds					
DfE/ ESFA capital grants	77	260	(24)	20	333
	77	260	(24)	20	333
Total restricted funds	(6,416)	12,147	(12,693)	339	(6,623)
Unrestricted funds					
General funds	1,537	799	(405)	(195)	1,736
Total unrestricted funds	1,537	799	(405)	(195)	1,736
Total funds	(4,879)	12,946	(13,098)	144	(4,887)

Notes to the financial statements Year to 31 August 2020

13 Funds (continued)

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

Restricted general funds

These funds represents grants received for the Trust's development.

ESFA revenue grant fund and other restricted funds

General Annual Grant (GAG)

GAG is provided by the Secretary of State through the Education and Skills Funding Agency (ESFA) to cover the normal running costs of the schools within the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other revenue grants

These funds comprise other revenue grants received from the Education and Skills Funding Agency and Local Authorities which are provided for specific purposes and includes the Pupil Premium grant.

Pension reserve

The pension reserve relates to the deficit on the Trust's share of the liability for various local government pension schemes to which its constituent schools belong for support staff. Whilst the fund is currently in deficit, the liability is not expected to crystallise in the short-term.

Fixed asset fund

These funds relate to the School's holding of tangible fixed assets. Transfers from the General Annual Grant fund to this fund represent the purchase of tangible fixed assets from GAG funding.

Notes to the financial statements Year to 31 August 2020

13 Funds (continued)

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

	Balance at 15 February 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	—	3,430	(3,648)	218	—
Start up Grant	—	94	(94)	—	—
Pupil Premium	—	90	(90)	—	—
Other DfE/ ESFA grants	—	355	(355)	—	—
Pension reserve	—	—	(6,338)	(155)	(6,493)
	—	3,969	(10,525)	63	(6,493)
Restricted fixed asset funds					
DfE/ ESFA capital grants	—	44	(3)	36	77
	—	44	(3)	36	77
Total restricted funds	—	4,013	(10,528)	99	(6,416)
Unrestricted funds					
General funds	—	348	1,443	(254)	1,537
Total unrestricted funds	—	348	1,443	(254)	1,537
Total funds	—	4,361	(9,085)	(155)	(4,879)

14 Analysis of funds by school

	Total 2020 £'000	Total 2019 £'000
St George's Primary Catholic Voluntary Academy	335	247
St John Fisher Catholic Primary School	348	394
The Sacred Heart Language College	661	466
St Joseph's Catholic Primary School	359	394
Central services	33	36
Total before fixed asset fund and pension reserve	1,736	1,537
Restricted fixed asset fund	333	77
Pension reserve	(6,956)	(6,493)
Total Funds	(4,887)	(4,879)

Notes to the financial statements Year to 31 August 2020

14 Analysis of funds by school (continued)

Expenditure incurred by each school during the year (excluding depreciation) was as follows:

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2020 £'000
St George's Primary Catholic Voluntary Academy	1,313	670	84	243	2,310
St John Fisher Catholic Primary School	2,175	364	85	422	3,046
The Sacred Heart Language College	3,323	482	245	506	4,556
St Joseph's Catholic Primary School	1,367	499	103	434	2,403
Central services	58	517	—	184	759
Total costs	8,236	2,532	517	1,789	13,074

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation)* £'000	Total 2019 £'000
St George's Primary Catholic Voluntary Academy	413	266	23	(59)	643
St John Fisher Catholic Primary School	645	131	31	(222)	585
The Sacred Heart Language College	990	181	98	(96)	1,173
St Joseph's Catholic Primary School	448	158	58	(226)	438
Central services	—	187	—	6,056	6,243
Total costs	2,496	923	210	5,453	9,082

*Expenditure includes budget surpluses transferred from the local authority on conversion net of the inherited Local Government Pension Scheme deficit (see note 16) which has been recognised within expenditure in the statement of financial activities.

15 Analysis of net liabilities between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2020 £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	—	—	267	267
Current assets	1,736	960	66	2,762
Current liabilities	—	(960)	—	(960)
Pension scheme liability	—	(6,956)	—	(6,956)
Total net liabilities	1,736	(6,956)	333	(4,887)

Notes to the financial statements Year to 31 August 2020

15 Analysis of net liabilities between funds (continued)

	<i>Unrestricted funds £'000</i>	<i>Restricted General Funds £'000</i>	<i>Restricted Fixed Asset Fund £'000</i>	<i>Total 2019 £'000</i>
<i>Fund balances at 31 August 2019 are represented by:</i>				
<i>Tangible fixed assets</i>	—	—	50	50
<i>Current assets</i>	1,537	642	27	2,206
<i>Current liabilities</i>	—	(642)	—	(642)
<i>Pension scheme liability</i>	—	(6,493)	—	(6,493)
<i>Total net liabilities</i>	1,537	(6,493)	77	(4,879)

16 Transfer from local authority

On 1 May 2019, four maintained schools were transferred into the Trust and have all been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net cost in the statement of financial activities (SOFA).

	Total 2019 £'000
Trust total	£'000
St George's Primary Catholic Voluntary Academy	
Budget surplus on LA funds	215
Budget surplus on other school funds	24
St John Fisher Catholic Primary School	
Budget surplus on LA funds	340
Budget surplus on other school funds	60
The Sacred Heart Language College	
Budget surplus on LA funds	262
Budget surplus on other school funds	136
St Joseph's Catholic Primary School	
Budget surplus on LA funds	216
Budget surplus on other school funds	190
Defined benefit pension scheme deficit	(6,101)
	(4,658)

17 Capital commitments

	2020 £	2019 £
Contracted for, but not provided in the financial statements	1,404	—

Capital commitments relate to works at all four schools which will be funded by successful CIF bids secured in the 2019/20 financial year. Works relate to roof replacements, window replacements, fire safety improvements and general refurbishment.

Notes to the financial statements Year to 31 August 2020

18 Commitments under operating leases

Operating leases

At 31 August 2020, the total of the Trust's future minimum lease payments under non-cancellable operating leases was as follows:

	2020 £'000	2019 £'000
Amounts due within one year	1	1
Amounts due between one and two years	1	1
Amounts due between two and five years inclusive	—	1
	<u>2</u>	<u>3</u>

19 Members' Liability

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

20 Pension and similar obligations

The 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 [name]. 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 £128,000 (2019: £71,000) were payable to the schemes at 31 August 2020 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.

20 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department 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; and
- ◆ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £1,073,000 (2019: £328,000).

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

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £716,000 (2019: £245,000), of which employer's contributions totalled £579,000 (2019: £198,000) and employees' contributions totalled £137,000 (2019: £47,000).

Notes to the financial statements Year to 31 August 2020

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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.

	At 31 August 2020	At 31 August 2019
Principal Actuarial Assumptions		
Rate of increase in salaries	3.0%	2.6%
Rate of increase for pensions in payment / inflation	2.3%	2.3%
Discount rate for scheme liabilities	1.7%	1.8%
Inflation assumption (CPI)	2.3%	2.3%
Commutation of pensions to lump sums (pre-April 2008)	50%	50%
Commutation of pensions to lump sums (post-April 2008)	75%	75%
Sensitivity Analysis: Impact on the net pension liability from changes in assumptions		
	2020 £'000	2019 £'000
Discount rate -0.5%	1,271	1,110
CPI rate +0.5%	1,147	990
Salary rate +0.5%	103	101
Amounts recognised in statement of financial activities		
	2020 £'000	2019 £'000
Current service cost	1,065	345
Past service cost	—	41
Interest income	(74)	(28)
Interest cost	195	77
Total amount recognised in the SOFA	1,186	435
Changes in the present value of defined benefit obligations were as follows:		
	2020 £'000	2019 £'000
At 1 September 2019	10,274	—
Upon conversion of schools	—	9,497
Current service cost	1,065	345
Past service cost	—	41
Interest cost	195	77
Employee contributions	137	47
Actuarial (gain) loss	(29)	267
At 31 August 2020	11,642	10,274
Changes in the fair value of the Trust's share of scheme assets:		
	2020 £'000	2019 £'000
At 1 September	3,781	—
Upon conversion of schools	—	3,396
Interest income	74	28
Actuarial gain	115	112
Employer contributions	579	198
Employee contributions	137	47
At 31 August 2020	4,686	3,781

Notes to the financial statements Year to 31 August 2020

21 Related party transactions

The Trust did not enter into any related party transactions in the year with the exception of a £3,490 (2019: £285) payment to the Diocese of Westminster for training and £16,690 (2019: £nil) as part of its annual service level agreement.

The Trust conducted the above related party transaction in accordance with the requirements of the Academies Financial Handbook. Given its size, the requirement to notify the ESFA of this transaction or to seek prior approval was not necessary.

22 Comparative information

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

	Restricted funds			Total funds 15 February 2019 to 31 August 2019 £'000
	Unrestricted general fund £'000	General £'000	Fixed assets Fund £'000	
Income from:				
Donations and capital grants	74	—	44	118
Charitable activities				
. Funding for the academies' educational operations	155	3,969	—	4,124
Other trading activities	119	—	—	119
Total	348	3,969	44	4,361
Expenditure on:				
Charitable activities				
. Trust's educational operations	—	4,424	3	4,427
Transfer from local authority on conversion	(1,443)	6,101	—	4,658
Total	(1,443)	10,525	3	9,085
Net income (expenditure) before other recognised gains	1,791	(6,556)	41	(4,724)
Transfers between funds	(254)	218	36	—
Other recognised gains				
Actuarial losses on defined benefit pension scheme	—	(155)	—	(155)
Net movement in funds	1,537	(6,493)	77	(4,879)
Reconciliation of funds				
Total fund balances brought forward at 1 February 2019	—	—	—	—
Total fund balances carried forward at 31 August 2019	1,537	(6,493)	77	(4,879)