

Newman Catholic Academy Trust  
(A Company Limited by Guarantee)  
Annual Report and Financial Statements  
Year ended 31 August 2020

Company Registration Number:  
07714121 (England and Wales)



# Newman Catholic Academy Trust

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# Newman Catholic Academy Trust

## Reference and Administrative Details

### Members:

M Breen	Appointed 31 July 2020
Rev Canon M Dennehy	
Rt Rev P Egan	
E Gray	Resigned 10 January 2020
H Hauschild	Appointed 1 July 2020
Rev J McGrath	Resigned 10 January 2020
G Riley	Resigned 10 January 2020
Rev P Smith	Appointed 10 January 2020

### Trustees:

R Congreve  
J Gallagher  
P Kollig  
S Pearson  
P Phelan  
G Riley  
I Rylands

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

A Braga  
T Frajka  
F Fedele  
R Magee  
E Taylor  
G Joslin  
D Cardenas-Lopez

### Senior Management Team:

P Phelan	Headteacher
C Duddy	Acting Deputy Headteacher
H Lacey	Assistant Headteacher
M Quinn	Assistant Headteacher
M Waterfield	Assistant Headteacher
V Inch	School Business Manager

### Company Name

Newman Catholic Academy Trust

# Newman Catholic Academy Trust

## Reference and Administrative Details

### **Principal and Registered Office**

Springhill Catholic Primary School  
Milton Road  
Southampton  
Hampshire  
SO15 2HW

### **Company Registration Number**

07714121 (England and Wales)

### **Independent Auditor**

Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 4AR

### **Bankers**

Lloyds Bank Plc  
63 London Road  
Southampton  
Hampshire  
SO15 2US

### **Solicitors**

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

# Newman Catholic Academy Trust

## Trustees' Report

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

The Trust operates a primary school in Southampton to provide education for pupils of different abilities who are mainly drawn from the three Catholic parishes in which the school is situated. At the 31 August 2020 there were 671 pupils on roll.

### **Structure, Governance and Management**

#### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Newman Catholic Academy Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Springhill Catholic Primary School.

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

#### **Members' Liability**

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

#### **Trustees' Indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 in any membership year

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

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

The Company shall have the following Trustees:

- a) Up to three Trustees, appointed under Article 50;
- b) Foundation Trustees, appointed under Article 50B (note 1);
- c) Two Staff Trustees, if appointed under Article 50A;
- d) Academy Trustees appointed under Article 51 or Article 52;
- e) The Diocesan Director of Schools, if appointed by the Diocesan Bishop (note 2);
- f) The Financial Secretary of the Diocese, if appointed by the Diocesan Bishop (note 2);
- g) The Chief Executive Officer;
- h) A minimum of two Parent Trustees appointed under Articles 53-56;

# Newman Catholic Academy Trust

## Trustees' Report

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

- i) Any Additional Trustees, if appointed under Article 61, 61A or 67A;
- j) Any Further Trustees, if appointed under Article 62 or Article 67A;
- k) Up to two Trustees, if appointed by the Secretary of State in accordance with the terms of the Funding Agreement following the provision of a notice to terminate that Funding Agreement.

1) Normally to include a Parish Priest nominated by the Diocesan Bishop.

2) May be desirable when the cluster of schools in the Company is large.

The Company may also have any Co-opted Trustee appointed under Article 58.

The first Trustees shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

The first term of office of a Trustee who was a member of the governing body of a Predecessor School immediately before the date of conversion of that school to an Academy under the Academies Act 2010 shall continue for his remaining term of office that would have applied to him as a member of the governing body of the Predecessor School had the Predecessor School continued to exist.

Future Trustees shall be appointed or elected, as the case may be, under these Articles. Where it is not possible for such a Trustee to be appointed or elected due to the fact that an Academy has not yet been established or the Chief Executive Officer has not been appointed, then the relevant Article or part thereof shall not apply.

### *Appointment of Trustees*

The Trustees may appoint up to three Trustees, who shall include the Principals of each Academy provided that if the number of Academies exceeds three the Trustees shall determine the process by which Trustees shall be appointed from the number of Principals.

The Trustees may appoint Staff Trustees through such process as they may determine provided that the total number of Trustees including the Chief Executive Officer who are employees of the Company does not exceed one third of the total number of Trustees nor when counted with all the Trustees except the Foundation Trustees exceed the total number of Foundation Trustees.

The Diocesan Bishop may appoint such number of Trustees as shall ensure that the number of Foundation Trustees exceed the other Trustees by two.

No changes to Article 46 and Article 50B shall be made without the consent of the Diocesan Bishop.

# Newman Catholic Academy Trust

## Trustees' Report

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

#### *Academy Trustees*

Subject to Article 52, the chairman of each Local Governing Body shall be an Academy Trustee for as long as s/he remains in office as such and shall be appointed by the Trustees of the Company but they shall appoint as the chairman of a Local Governing Body someone other than the Chief Executive Officer.

#### *Parent Trustees*

There shall be two Parent Trustees for every 10 or fewer Academies.

The respective number of Parent Trustees shall be elected by the Parent members of the Local Governing Bodies (who shall themselves have been elected or appointed in accordance with the terms of reference determined by the Trustees from time to time) from amongst their number parents of registered pupils at the relevant Academy. The elected Parent Trustees must be a parent of a registered pupil at one of the Academies at the time when he is elected.

The number of Parent Trustees required shall be made up by Parent Trustees appointed by the Trustees if the number of parents standing for election is less than the number of vacancies.

The Trustees shall make all necessary arrangements for, and determine all other matters relating to, an election of the Parent Trustees, including any question of whether a person is a parent of a registered pupil at one of the Academies. Any election of the Parent Trustees which is contested shall be held by secret ballot.

In appointing a Parent Trustee the Trustees shall appoint a person who is the parent of a registered pupil at an Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

The first Parent Trustees and Staff Trustees shall be selected by the Diocesan Bishop from those people who filled those positions on the governing body of the Predecessor Schools at their closure (provided they remain eligible under these Articles), who shall become Trustees on the opening of the Academies as Parent or Staff Trustees (as the case may be) for the remainder of the terms of office for which they were elected to the governing body of the Predecessor Schools.

#### *Chief Executive Officer*

The Chief Executive Officer shall be a Trustee for as long as he remains in office as such.

# Newman Catholic Academy Trust

## Trustees' Report

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

#### *Co-opted Trustees*

The Trustees may appoint up to three Co-opted Trustees with the consent of the Diocesan Bishop provided that if any such Trustees are appointed the number of Foundation Trustees permitted by Articles 46 and 50B shall increase proportionately to ensure that a majority of Trustees are Foundation Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed provided that if any such Trustees are appointed the number of Foundation Trustees permitted by Articles 46 and 50B shall increase proportionately to ensure that a majority of Trustees are Foundation Trustees. The Trustees may not co-opt an employee of the Company as a Co-opted Trustee if thereby the number of Trustees who are employees of the Company would exceed one third of the total number of Trustees including the Chief Executive Officer and any Principal.

#### *Appointment of additional Trustees*

The Secretary of State may give a warning notice to the Trustees which he shall copy to the Diocesan Bishop where he is satisfied—

- i. that the standards of performance of pupils at any of the Academies are unacceptably low, or
- ii. that there has been a serious breakdown in the way any of the Academies are managed or governed, or
- iii. that the safety of pupils or staff of any of the Academies is threatened (whether by a breakdown of discipline or otherwise).

For the purposes of Article 59 a 'warning notice' is a notice in writing by the Secretary of State to the Company delivered to the Office setting out—

- a) the matters referred to in Article 59;
- b) the action which he requires the Trustees to take in order to remedy those matters; and
- c) the period within which that action is to be taken by the Trustees ('the compliance period').

The Secretary of State may appoint such Additional Trustees as he thinks fit after consultation with the Diocesan Bishop if the Secretary of State has:

- a) given the Trustees a warning notice in accordance with Article 59; and
- b) the Trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The Secretary of State may also appoint such Additional Trustees after consultation with the Diocesan Bishop where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") an Academy receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of the foregoing the grade received by the predecessor school as defined in the Funding Agreement shall be regarded as the grade received by the Academy.



# Newman Catholic Academy Trust

## Trustees' Report

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

The Secretary of State may also appoint such Further Trustees as he thinks fit after consultation with the Diocesan Bishop if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of any Academy. Within five days of the Secretary of State appointing any Additional or Further Trustees in accordance with Articles 61, 61A or 62, any Trustees appointed under Article 50, 50B and 51 holding office immediately preceding the appointment of such Trustees, shall resign immediately and the Members' power to appoint Trustees under Article 50, 50B and 51 shall remain suspended until the Secretary of State removes one or more of the Additional or Further Trustees.

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

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

### **Organisational Structure**

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

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

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

### **Arrangements for setting pay and remuneration of key management personnel**

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

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

### **Trade union facility time**

There are no trade union officials employed by the school.

### **Related Parties and other Connected Charities and Organisations**

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

# Newman Catholic Academy Trust

## Trustees' Report

### Objectives and Activities

#### **Objects and Aims**

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

#### **Objectives, Strategies and Activities**

The Company's object ("the Object") is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Catholic schools designated as such ("the Academies") which shall offer offering a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic Canon Law applying thereto, including the charitable purposes of the Trustees and any trust deed governing the use of any land used by an Academy both generally and having regard to any advice and following directives issued by the Diocesan Bishop.

#### **Public Benefit**

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

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

### Strategic Report

#### **Achievements and Performance**

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

#### **Key Performance Indicators**

Number on roll: the academy is currently full, with 671 pupils on roll at 31 August 2020. We hold waiting lists for each year group and the waiting list is reviewed annually.

Staff turnover: low turnover of staff and a high quality of teaching.

#### **Going Concern**

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

# Newman Catholic Academy Trust

## Trustees' Report

### Financial Review

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

COVID-19 and the associated national school closures during the year ended 31 August 2020 had a significant impact on both income and expenditure. The school remained open to key worker children, all breakfast and after school clubs had to cease and therefore we were neither able to charge for our own breakfast and after school club (whilst still bearing the cost of salaries for staff employed to run the club) nor rent out facilities for external companies to run clubs. This had a material impact on self generated income. In order to meet the increased cleaning and hand sanitising requirements the school has also had to employ additional cleaning staff, purchased increased cleaning and hygiene products, used more water and has needed to install additional hand washing stations to facilitate the increased pupil hand washing requirements so expenditure for the year to 31 August 2020 was higher than budgeted.

Where payments have been received from parents for clubs, school trips, dinners and music tuition these have either been refunded or for pupils who continue to attend the school carried forward on their pupil accounts for use during the year ended 31 August 2021. Where money has been carried forward on parents' accounts the amount has been included within deferred income at 31 August 2020.

For the year ended 31 August 2020 the Trust accounts show an in-year deficit of £451,356 (2019: £671,835). If movements on the restricted pension and restricted fixed asset fund are excluded the Trust generated a surplus of £24,126 (2019: £103,289) in relation to its educational activities and its restricted and unrestricted reserves (excluding restricted pension liability and restricted fixed asset fund) increased from £524,975 to £549,101.

During the year ended 31 August 2019, Springhill Catholic Primary School was appointed as an English Hub school and it has continued to operate as an English Hub throughout the year ended 31 August 2020, despite the disruption due to COVID 19. English Hub schools are selected on the basis of their expertise in teaching reading and support schools in their surrounding areas. English Hub grant funding of £455,380 (2019: £261,044) was used to support schools in the surrounding areas as outlined in the grant offer letter.

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

# Newman Catholic Academy Trust

## Trustees' Report

### Reserves Policy

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

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

The reserves as at 31 August 2020 were as follows:

- Unrestricted (free) reserves of £109,682
- A restricted fixed asset fund of £3,697,859, which can only be realised through disposal of tangible fixed assets
- A pension deficit of £1,908,000
- Other restricted funds of £439,419
- Total funds of £2,338,960

Total reserves available to the Academy (i.e. restricted reserves excluding restricted fixed asset funds and pension reserves, plus unrestricted reserves) totalled £549,101, which exceeded the minimum 5% required by the reserves policy.

There is a £1,908,000 deficit in respect of the Local Government Pension Scheme. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academy trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust as a result of recognising the deficit.

### Investment Policy

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

# Newman Catholic Academy Trust

## Trustees' Report

### **Principal Risks and Uncertainties**

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

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

Uncertainty exists regarding future funding formulas and increasing costs of employment. The ongoing impact of COVID-19 on running costs and the potential for future school closures also represents an area of significant uncertainty.

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

### **Fundraising**

The Springhill Parent's Association raises funds in order to support the school operations. Fundraising activities undertaken by the parents association normally include, cake sales, an annual school fete, second hand uniform sales and more. The ability to fundraise was impacted significantly by COVID 19 and one of the main fundraising events, the annual school fete, was unable to go ahead in the summer of 2020.

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

We confirm that when fundraising:

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

### **Plans for Future Periods**

After 16 years dedicated service as Headteacher at Springhill School, Mrs Patricia Phelan will retire at the end of the Autumn term 2020. A recruitment and interview process will be undertaken during the Spring Term 2021. In the meantime, the school continues to benefit from an experienced and able Senior Leadership Team and Ciara Duddy will take on the role of Acting Head.

### **Funds Held as Custodian Trustee on Behalf of Others**

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

# Newman Catholic Academy Trust

## Trustees' Report

### Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2020 and signed on the board's behalf by:



**G Riley**

Chair of trustees

# Newman Catholic Academy Trust

## Governance Statement

### Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Newman Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met nine times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Angela Braga	9	9
Denise Cardenas-Lopez	7	9
Richard Congreve	9	9
Fiammetta Fedele	6	9
Tamas Frajka	9	9
Bart Gallagher	9	9
Graham Joslin	8	9
Peter Kollig	9	9
Becky Magee	7	9
Sarah Pearson	9	9
Patricia Phelan	8	9
Ged Riley	9	9
Iain Rylands	9	9
Eugenie Taylor	8	9

# Newman Catholic Academy Trust

## Governance Statement

### **Governance (continued)**

#### *Composition of the Governing Body*

The Governing Body is made up of nine Foundation Governors\*, two Staff Governors (including the Headteacher), two Parent Governors and one co-opted governor, that is 14 in total; of which seven of these are also Directors.

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

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

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

#### **Governing Body's work this year and Governors attendance at full Governing Body meetings**

The past year has been an extraordinary one, and is best seen as two distinct periods of six months, set against two very different sets of circumstances. During the first half-year we maintained our normal overview of all aspects of the school's work. During the second, as the COVID 19 pandemic took hold and the school was obliged to close, we did our best to adapt to the rapidly-changing situation and to support the SLT in their provision both of home learning and of on-site provision for key-worker children.



# Newman Catholic Academy Trust

## Governance Statement

### Governance (continued)

Some of the approaches taken are listed below:

- The Governors have supported and encouraged the school's continuing development as one of only 34 English Hub schools across England. We have noted with enthusiasm the consequent refinement of the school's teaching approach, as they act as a centre of excellence and share their practice with other schools. The feedback and approval rating from these schools has been extremely positive.
- Within the limited circumstances, we have used Governor Learning Walks to observe and report on focused aspects of school life. Examples include: Assessment and the OFSTED framework, Early Years.
- We have listened to presentations from subject staff about new developments in their areas, for example Design and Technology. In addition, subject link governors have met with relevant subject heads to update their awareness of curriculum changes and to write brief reports on their meetings.
- Health and Safety has been a particular focus this year. We have expanded the H & S Committee. Under the guidance of an External Consultant, an internal review has been carried out and recommended improvements have been introduced. A robust system is now in place and further training is planned.
- We have verified that our statutory obligations have been fulfilled, including for example the GDPR and the Central Register.
- We have contributed to the school's strong, ongoing focus on on-line safety, with particular regard to safeguarding our young people and equipping them to deal with the realities of the digital age.
- During the lockdown, we have made use of technology such as Teams to allow virtual meetings of the Governing Body to continue uninterrupted. In future we intend to look at extending the possibilities of digital media to increase efficiency.
- In the latter part of the year, we have supported the school's response to the lockdown and then to the partial reopening of provision. We noted that the school maintained a high level of keyworker-children provision throughout. We fully supported the SLT's decision to readmit Year 6 pupils, but not to take back the Reception and Year 1 children, a decision based on proper risk assessment of the school building and staffing levels
- A Parent Survey about Home Learning was conducted in June. A group of governors met several times during the summer and carried out an analysis of the responses, which was shared with SLT. As a result of this stakeholder feedback, the school is planning refinements to its home learning framework in preparation for the possibility of a second lockdown.

### *Review of the Board's performance*

During the year 2019/20, the Board's performance has been good, as shown in the annual report. The full Governing Body has met nine times during the year and we have not cancelled a Governing Body meeting because it was not "quorate" (the number of Governors needed to ensure that legal decisions can be made). Overall, Governors have excellent attendance at Governing Body meetings.

# Newman Catholic Academy Trust

## Governance Statement

### Governance (continued)

#### *Quality of Data*

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

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

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

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

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

Attendance at meetings during the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Fiammetta Fedele	4	4
Bart Gallagher	4	4
Graham Joslin	4	4
Peter Kolliq	4	4
Tricia Phelan	4	4
Ged Riley	4	4

# Newman Catholic Academy Trust

## Governance Statement

### **Review of Value for Money**

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

The accounting officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available. The extra 'bulge' class, from the September 2015 intake, continues to be monitored as it reaches Year 5.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Newman Catholic Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

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

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

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

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

# Newman Catholic Academy Trust

## Governance Statement

### The Risk and Control Framework (continued)

The Governing Body has considered the need for a specific internal audit function and has decided not to employ an internal auditor. Previously, HWB accountants had undertaken the role of responsible officer, however for 2020/21 a new appointment has been made to undertake internal scrutiny work in order to ensure independence.

### Review of Effectiveness

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

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

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

### How to contact the Governing Body

We always welcome suggestions, feedback and ideas from parents, carers and the wider school/academy community – please contact the Chair of Governors, Ged Riley, on: [chairofgovernors@springhill.net](mailto:chairofgovernors@springhill.net).

Approved by order of the members of the board of trustees on 14 December 2020 and signed on its behalf by:



**G Riley**  
Chair of trustees

  
P A Phelan [Dec 21, 2020 15:29 GMT]

**P Phelan**  
Accounting Officer

# Newman Catholic Academy Trust

## Statement of Regularity, Propriety and Compliance

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

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

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

*P A Phelan*  
P A Phelan (Dec 21, 2020 15:29 GMT)

**P Phelan**  
Accounting Officer  
14 December 2020

# Newman Catholic Academy Trust

## Statement of Trustees' Responsibilities

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 14 December 2020 and signed on its behalf by:



**G Riley**

Chair of trustees

# Newman Catholic Academy Trust

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

### Opinion

We have audited the financial statements of Newman Catholic Academy Trust ('the charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

# Newman Catholic Academy Trust

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

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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



# Newman Catholic Academy Trust

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

### Responsibilities of the trustees

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

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

### Our responsibilities for the audit of the financial statements

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of Independent Auditors.

### Use of our report

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

David Brookes  
David Brookes (Dec 21, 2020 16:08 GMT)

D Brookes FCA (Senior statutory auditor)  
For and on behalf of Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

21/12/2020  
Date .....

# Newman Catholic Academy Trust

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

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

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

### **Respective responsibilities of Newman Catholic Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Newman Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 17 August 2011 and the Academies Financial Handbook, extant from 1 September 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 period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

# Newman Catholic Academy Trust

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

### Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

# Newman Catholic Academy Trust

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

### Conclusion

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

David Brookes

David Brookes (Dec 21, 2020 16:08 GMT)

D Brookes FCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

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

Date ..... 21/12/2020 .....

# Newman Catholic Academy Trust

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

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2019/20 Total £	2018/19 Total £
<b>Income and endowments from:</b>							
Donations and capital grants	3	-	4,974	-	11,718	16,692	63,074
Charitable activities:							
Funding for the academy trust's educational operations	4	-	3,545,198	-	-	3,545,198	3,369,215
Other trading activities	5	3,580	-	-	-	3,580	7,840
Investments	6	2,338	-	-	-	2,338	3,387
<b>Total</b>		<b>5,918</b>	<b>3,550,172</b>	<b>-</b>	<b>11,718</b>	<b>3,567,808</b>	<b>3,443,516</b>
<b>Expenditure on:</b>							
Charitable activities:							
Academy trust educational operations	8	-	3,489,049	191,000	143,115	3,823,164	3,650,351
<b>Net income / (expenditure)</b>		<b>5,918</b>	<b>61,123</b>	<b>(191,000)</b>	<b>(131,397)</b>	<b>(255,356)</b>	<b>(206,835)</b>
<b>Transfers between funds</b>	16	-	(42,915)	-	42,915	-	-
<b>Other recognised gains / (losses):</b>							
Actuarial losses on defined benefit pension schemes	24	-	-	(196,000)	-	(196,000)	(465,000)
<b>Net movement in funds</b>		<b>5,918</b>	<b>18,208</b>	<b>(387,000)</b>	<b>(88,482)</b>	<b>(451,356)</b>	<b>(671,835)</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		103,764	421,211	(1,521,000)	3,786,341	2,790,316	3,462,151
<b>Total funds carried forward</b>		<b>109,682</b>	<b>439,419</b>	<b>(1,908,000)</b>	<b>3,697,859</b>	<b>2,338,960</b>	<b>2,790,316</b>

The notes on pages 30 to 52 form part of these financial statements.

# Newman Catholic Academy Trust

## Balance Sheet as at 31 August 2020

Company Number 07714121

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible assets	12		3,697,859		3,786,341
<b>Current assets</b>					
Debtors	13	83,060		76,331	
Investments	14	100,000		75,000	
Cash at bank and in hand		<u>586,528</u>		<u>679,687</u>	
		769,588		831,018	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	<u>(220,487)</u>		<u>(306,043)</u>	
<b>Net current assets</b>			<u>549,101</u>		<u>524,975</u>
<b>Total assets less current liabilities</b>			4,246,960		4,311,316
Defined benefit pension scheme liability	24		(1,908,000)		(1,521,000)
<b>Total net assets</b>			<u>2,338,960</u>		<u>2,790,316</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	16	3,697,859		3,786,341	
Restricted income fund	16	439,419		421,211	
Pension reserve	16	<u>(1,908,000)</u>		<u>(1,521,000)</u>	
<b>Total restricted funds</b>			2,229,278		2,686,552
<b>Unrestricted income funds</b>	16		109,682		103,764
<b>Total funds</b>			<u>2,338,960</u>		<u>2,790,316</u>

The financial statements on pages 27 to 52 were approved by the trustees and authorised for issue on 14 December 2020 and are signed on their behalf by:



**G Riley**

Chair of trustees

The notes on pages 30 to 52 form part of these financial statements.

# Newman Catholic Academy Trust

## Statement of Cash Flows for the year ended 31 August 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	19	(13,526)	223,718
<b>Cash flows from investing activities</b>	20	(79,633)	(20,032)
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(93,159)</u>	<u>203,686</u>
<b>Cash and cash equivalents at 1 September 2019</b>		<b>679,687</b>	<b>476,001</b>
<b>Cash and cash equivalents at 31 August 2020</b>	21	<u><b>586,528</b></u>	<u><b>679,687</b></u>

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 1 Accounting policies

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

#### Basis of Preparation

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

#### Going Concern

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

#### Income

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

- **Grants**

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

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

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

- **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.



# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### Income (continued)

- **Other Income**

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

- **Donated goods, facilities and services**

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

### Expenditure

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

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

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

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

### Liabilities

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

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### **Provisions**

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

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

### **Leased Assets**

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

### **Financial Instruments**

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

#### *Financial assets*

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

#### *Current asset investments*

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

#### *Cash at bank*

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

#### *Financial liabilities*

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

### **Taxation**

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

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

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### **Pensions Benefits**

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

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

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

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

### **Fund Accounting**

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

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

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

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### Critical accounting estimates and areas of judgement

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

### Critical accounting estimates and assumptions

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

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

The assumptions used are disclosed in note 24.

### Critical areas of judgement

There are no other critical areas of judgement.

## 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2020.

## 3 Donations and capital grants

	Unrestricted funds	Restricted funds	2019/20 Total	2018/19 Total
	£	£	£	£
Capital grants	-	11,718	11,718	42,258
Other donations	-	4,974	4,974	20,816
	-	16,692	16,692	63,074
<i>Total 2019</i>	-	63,074	63,074	

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	-	2,481,680	<b>2,481,680</b>	2,497,201
Pupil Premium	-	91,776	<b>91,776</b>	68,925
Other DfE Group grants	-	727,929	<b>727,929</b>	412,712
	-	3,301,385	<b>3,301,385</b>	2,978,838
<b>Other government grants</b>				
Local authority grants	-	49,142	<b>49,142</b>	34,977
<b>Other income from the academy trust's educational operations</b>				
Trip income	-	15,691	<b>15,691</b>	46,427
Tuition fee income	-	23,721	<b>23,721</b>	32,634
Catering income	-	53,633	<b>53,633</b>	86,849
Other income	-	101,626	<b>101,626</b>	189,490
	-	194,671	<b>194,671</b>	355,400
	-	3,545,198	<b>3,545,198</b>	3,369,215
<i>Total 2019</i>	-	3,369,215	<b>3,369,215</b>	

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Hire of facilities	3,580	-	<b>3,580</b>	7,840
<i>Total 2019</i>	7,840	-	<b>7,840</b>	

### 6 Investment income

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Short term deposits	2,338	-	<b>2,338</b>	3,387
<i>Total 2019</i>	3,387	-	<b>3,387</b>	

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 7 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other	2019/20	2018/19
	£	£	£	£	£
Academy's educational operations:					
Direct costs	2,384,876	-	238,906	<b>2,623,782</b>	2,441,941
Allocated support costs	609,543	139,856	449,983	<b>1,199,382</b>	1,208,410
	<u>2,994,419</u>	<u>139,856</u>	<u>688,889</u>	<b><u>3,823,164</u></b>	<u>3,650,351</u>
<i>Total 2019</i>	<i><u>2,718,047</u></i>	<i><u>141,738</u></i>	<i><u>790,566</u></i>	<b><i><u>3,650,351</u></i></b>	

Net income/(expenditure) for the period includes:

	2019/20	2018/19
	£	£
Operating lease rentals	<b>10,595</b>	10,566
Depreciation	<b>143,115</b>	139,156
(Gain)/loss on disposal of fixed assets	-	(2,000)
Fees payable to auditor for:		
Audit	<b>4,625</b>	4,580
Other services	<b><u>4,425</u></b>	<u>4,635</u>

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 8 Charitable activities

	2019/20 Total £	2018/19 Total £
Direct costs	2,623,782	2,441,941
Support costs	1,199,382	1,208,410
	<b>3,823,164</b>	<b>3,650,351</b>

#### Analysis of support costs:

	Educational operations £	2019/20 Total £	2018/19 Total £
Support staff costs	609,543	609,543	597,476
Depreciation	143,115	143,115	139,156
Technology costs	34,969	34,969	20,215
Premises costs	139,856	139,856	141,738
Other support costs	262,849	262,849	300,610
Governance costs	9,050	9,050	9,215
Total support costs	<b>1,199,382</b>	<b>1,199,382</b>	<b>1,208,410</b>

<i>Total 2019</i>	<i>1,208,410</i>	<i>1,208,410</i>
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# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 9 Staff

#### a) Staff costs

Staff costs during the period were:

	2019/20	2018/19
	£	£
Wages and salaries	2,154,930	2,027,581
Social security costs	184,808	168,457
Pension costs	630,899	517,298
	<b>2,970,637</b>	<b>2,713,336</b>
Agency staff costs	11,782	4,711
Staff restructuring costs	12,000	-
	<b>2,994,419</b>	<b>2,718,047</b>

Staff restructuring costs comprise:

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

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,000 (2019: £nil). Individually, the payments were: £12,000.

#### c) Staff numbers

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

	2019/20	2018/19
	No.	No.
Teachers	32	27
Administration and support	60	60
Management	6	6
	<b>98</b>	<b>93</b>

Average number expressed as a full time equivalent:

	2019/20	2018/19
	No.	No.
Teachers	31	25
Administration and support	32	35
Management	6	6
	<b>69</b>	<b>66</b>

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 9 Staff (continued)

#### d) Higher paid staff

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

	2019/20	2018/19
	No.	No.
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

#### e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £437,931 (2019: £445,624).

### 10 Related Party Transactions – Trustees’ remuneration and expenses

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

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

		2019/20	2018/19
		£000	£000
P Phelan	Remuneration	90-95	85-90
(Headteacher and Accounting Officer)	Employer’s pension contributions paid	20-25	10-15
I Rylands	Remuneration	35-40	35-40
(Staff trustee)	Employer’s pension contributions paid	5-10	5-10

During the period ended 31 August 2020, travel and subsistence expenses totalling £1,537 were reimbursed or paid directly to one trustee (2019: £700 to two trustees).

### 11 Trustees and officers insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £25m on any one claim and the cost for the period ended 31 August 2020 was £161 (2019: £161). The cost of this insurance is included in the total insurance cost.

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 12 Tangible fixed assets

	Leasehold Land and Buildings £	Leasehold Improve- ments £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>						
At 1 September 2019	3,880,969	677,693	64,784	147,269	34,650	4,805,365
Acquisitions	-	16,185	19,229	19,219	-	54,633
At 31 August 2020	3,880,969	693,878	84,013	166,488	34,650	4,859,998
<b>Depreciation</b>						
At 1 September 2019	473,192	331,824	62,672	139,576	11,760	1,019,024
Charged in year	59,148	68,511	1,235	8,725	5,496	143,115
At 31 August 2020	532,340	400,335	63,907	148,301	17,256	1,162,139
<b>Net book values</b>						
At 31 August 2019	3,407,777	345,869	2,112	7,693	22,890	3,786,341
At 31 August 2020	3,348,629	293,543	20,106	18,187	17,394	3,697,859

### 13 Debtors

	2019/20 £	2018/19 £
Trade debtors	3,214	21,622
VAT recoverable	3,015	6,876
Prepayments and accrued income	76,831	47,833
	<u>83,060</u>	<u>76,331</u>

### 14 Current asset investments

	2019/20 £	2018/19 £
Bank deposits	<u>100,000</u>	<u>75,000</u>

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

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

	2019/20	2018/19
	£	£
Trade creditors	19,735	56,252
Other taxation and social security	44,682	42,955
Other creditors falling due within one year	51,702	135,192
Accruals and deferred income	104,368	71,644
	<b>220,487</b>	<b>306,043</b>

	2019/20	2018/19
	£	£
Deferred income at 1 September 2019	61,435	70,485
Released from previous years	(61,435)	(70,485)
Resources deferred in the year	82,411	61,435
Deferred income at 31 August 2020	<b>82,411</b>	<b>61,435</b>

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

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2020 £
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	2,481,680	(2,481,680)	-	-	-
Pupil Premium	-	91,776	(91,776)	-	-	-
Other DfE/ESFA grants	-	272,549	(272,549)	-	-	-
English Hub grant	3,105	455,380	(346,321)	3,924	-	<b>116,088</b>
Other government grants	-	49,142	(49,142)	-	-	-
Other educational activities	418,106	199,645	(247,581)	(46,839)	-	<b>323,331</b>
	421,211	3,550,172	(3,489,049)	(42,915)	-	<b>439,419</b>
Pension reserve	(1,521,000)	-	(191,000)	-	(196,000)	<b>(1,908,000)</b>
	<b>(1,099,789)</b>	<b>3,550,172</b>	<b>(3,680,049)</b>	<b>(42,915)</b>	<b>(196,000)</b>	<b>(1,468,581)</b>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	3,786,341	-	(143,115)	54,633	-	<b>3,697,859</b>
ESFA capital grants (DFC)	-	11,718	-	(11,718)	-	-
	<b>3,786,341</b>	<b>11,718</b>	<b>(143,115)</b>	<b>42,915</b>	<b>-</b>	<b>3,697,859</b>
<b>Total restricted funds</b>	<b>2,686,552</b>	<b>3,561,890</b>	<b>(3,823,164)</b>	<b>-</b>	<b>(196,000)</b>	<b>2,229,278</b>
<b>Total unrestricted funds</b>	<b>103,764</b>	<b>5,918</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109,682</b>
<b>Total funds</b>	<b>2,790,316</b>	<b>3,567,808</b>	<b>(3,823,164)</b>	<b>-</b>	<b>(196,000)</b>	<b>2,338,960</b>

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 16 Funds (continued)

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

#### **General annual grant**

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

#### **Other DfE/ESFA grants**

This is funding received from the ESFA for specific purposes, for example pupil premium funding.

#### **Local authority grants**

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

#### **Other educational activities**

This includes all other educational income/expenditure.

#### **Pension reserve**

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

#### **Fixed asset fund**

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

#### **DfE/ESFA capital grants**

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

#### **Transfers between funds**

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

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 16 Funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2019 £
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	2,497,201	(2,497,201)	-	-	-
Pupil Premium	-	68,925	(68,925)	-	-	-
Other DfE/ESFA grants	-	151,668	(151,668)	-	-	-
English Hub grant	-	261,044	(132,220)	(125,719)	-	3,105
Other government grants	-	34,977	(34,977)	-	-	-
Other educational activities	329,149	357,051	(435,204)	167,110	-	418,106
	329,149	3,370,866	(3,320,195)	41,391	-	421,211
Pension reserve	(863,000)	-	(193,000)	-	(465,000)	(1,521,000)
	(533,851)	3,370,866	(3,513,195)	41,391	(465,000)	(1,099,789)
<b>Restricted fixed asset funds</b>						
Fixed asset fund	3,903,465	-	(137,156)	20,032	-	3,786,341
ESFA capital grants (DFC)	-	36,491	-	(36,491)	-	-
Other capital grants	-	5,767	-	(5,767)	-	-
Capital donations	-	19,165	-	(19,165)	-	-
	3,903,465	61,423	(137,156)	(41,391)	-	3,786,341
<b>Total restricted funds</b>	<b>3,369,614</b>	<b>3,432,289</b>	<b>(3,650,351)</b>	<b>-</b>	<b>(465,000)</b>	<b>2,686,552</b>
<b>Total unrestricted funds</b>	<b>92,537</b>	<b>11,227</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103,764</b>
<b>Total funds</b>	<b>3,462,151</b>	<b>3,443,516</b>	<b>(3,650,351)</b>	<b>-</b>	<b>(465,000)</b>	<b>2,790,316</b>

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 17 Analysis of net assets between funds

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

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

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	3,786,341	3,786,341
Current assets	103,764	727,254	-	-	831,018
Current liabilities	-	(306,043)	-	-	(306,043)
Pension scheme liability	-	-	(1,521,000)	-	(1,521,000)
<b>Total net assets</b>	<b>103,764</b>	<b>421,211</b>	<b>(1,521,000)</b>	<b>3,786,341</b>	<b>2,790,316</b>

### 18 Commitments under operating leases

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

	2019/20	2018/19
	£	£
Amounts due within one year	2,642	10,566



# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

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

	2019/20	2018/19
	£	£
Net expenditure for the reporting period	(255,356)	(206,835)
Adjusted for:		
Depreciation	143,115	139,156
(Gain)/loss on disposal of fixed assets	-	(2,000)
Defined benefit pension scheme cost less contributions payable	163,000	171,000
Defined benefit pension scheme finance cost	28,000	22,000
(Increase) / decrease in debtors	(6,729)	640
(Decrease) / increase in creditors	(85,556)	99,757
Net cash (used in) / provided by Operating Activities	<u>(13,526)</u>	<u>223,718</u>

### 20 Cash flows from investing activities

	2019/20	2018/19
	£	£
(Increase) / decrease in current asset investments	(25,000)	
Proceeds from sale of tangible fixed assets	-	2,000
Purchase of tangible fixed assets	(54,633)	(22,032)
Net cash used in investing activities	<u>(79,633)</u>	<u>(20,032)</u>

### 21 Analysis of cash and cash equivalents

	2019/20	2018/19
	£	£
Cash at bank and in hand	<u>586,528</u>	<u>679,687</u>

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 22 Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Acquisition/ disposal of subsidiaries £	New finance leases £	Other non-cash changes £	At 31 August 2020 £
Cash	679,687	(93,159)	-	-	-	586,528
<b>Total</b>	<b>679,687</b>	<b>(93,159)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>586,528</b>

### 23 Members liability

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

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 24 Pension and similar obligations

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

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

Contributions amounting to £51,643 were payable to the schemes at 31 August 2020 (2019: £42,662) and are included within creditors.

#### Teachers' Pension Scheme

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

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

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 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.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £319,585 (2019: £200,614).

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

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 24 Pension and similar obligations (continued)

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was as follows:

	2020	2019
	£	£
Employer's contributions	147,000	146,000
Employees' contributions	41,000	41,000
	<b>188,000</b>	<b>187,000</b>

The agreed contribution rates for future years are 18.9% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

#### Principal actuarial assumptions

	2020	2019
Rate of increase in salaries	3.3%	3.5%
Rate of increase for pensions in payment/inflation	2.3%	2.0%
Discount rate for scheme liabilities	1.7%	1.9%
Inflation assumption (CPI)	2.3%	2.0%

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

	2020	2019
<i>Retiring today</i>		
Males	23.0	23.1
Females	25.5	25.8
<i>Retiring in 20 years</i>		
Males	24.7	24.7
Females	27.2	27.6

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 24 Pension and similar obligations (continued)

#### Sensitivity analysis

#### Increase/(reduction) in defined benefit obligation

	2020	2019
	£	£
Discount rate +0.1%	(102,000)	(90,000)
Discount rate -0.1%	106,000	92,000
Mortality assumption – 1 year increase	152,000	124,000
Mortality assumption – 1 year decrease	(148,000)	(123,000)

The academy trust's share of the assets in the scheme were:

	2020	2019
	£	£
Equities	1,317,000	1,322,000
Property	139,000	158,000
Government bonds	450,000	452,000
Cash	37,000	42,000
Other	379,000	222,000
Total market value of assets	2,322,000	2,196,000

The actual return on scheme assets was -£58,000 (2019: £121,000).

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

	2019/20	2018/19
	£	£
Current service cost	310,000	216,000
Past service cost	-	101,000
Interest income	(43,000)	(57,000)
Interest cost	71,000	79,000
Total amount recognised in the SOFA	338,000	339,000

# Newman Catholic Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 24 Pension and similar obligations (continued)

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

	2019/20	2018/19
	£	£
<b>At 1 September</b>	<b>3,717,000</b>	<b>2,854,000</b>
Current service cost	310,000	216,000
Interest cost	71,000	79,000
Employee contributions	41,000	41,000
Actuarial loss	95,000	529,000
Benefits paid	(4,000)	(103,000)
Past service cost	-	101,000
<b>At 31 August</b>	<b>4,230,000</b>	<b>3,717,000</b>

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

	2019/20	2018/19
	£	£
<b>At 1 September</b>	<b>2,196,000</b>	<b>1,991,000</b>
Interest income	43,000	57,000
Actuarial (loss) / gain	(101,000)	64,000
Employer contributions	147,000	146,000
Employee contributions	41,000	41,000
Benefits paid	(4,000)	(103,000)
<b>At 31 August</b>	<b>2,322,000</b>	<b>2,196,000</b>

### 25 Related party transactions

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