

Company Registration No. 07723349 (England and Wales)

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

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THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Rt Rev. V Harvey
M Whitty
M Miell (from 1 September 2018)

Trustees

R Ashworth (Headteacher & Accounting Officer)
K Adams (Staff Trustee)
D Ambrosetti (Staff Trustee)
E Macpherson (Resigned 31 July 2019)
T Bint (Staff Trustee)
M Miell (Chair of Trustees)
N O'Donnell
B Stoker
K Pace
Fr P Hart (Resigned 25 November 2019)
J Callaghan
C Belli (Appointed 19 October 2018)
S Rao (Appointed 30 January 2019)
D Pattison (Appointed 1 October 2019)
A Fitzpatrick (Appointed 1 August 2019)

Senior management team

R Ashworth	- Headteacher
T Bint	- Assistant Headteacher
S McCarthy - Resigned 18/03/19	- School Business Manager
H Stephen - Appointed 18/03/19	- School Business Manager

Company secretary

K Pace

Company registration number

07723349 (England and Wales)

Registered office

St Anthony's Catholic Primary School
Primate Road
Fareham
Hampshire
PO14 4RP
UK

Independent auditor

Wilkins Kennedy Audit Services
3-4 Eastwood Court
Broadwater Road
Romsey
Hampshire
SO51 8JJ

Bankers

Lloyds Bank plc
43 West Street
Fareham
Hampshire
PO16 0BE

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

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

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 - 11 serving a catchment area in the areas of Titchfield, Park Gate, Locks Heath and Warsash. It has a pupil capacity of 222 and had a roll of 215 in the school Autumn census.

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 charitable company is known as The Catholic Academy Trust in South Hampshire.

The trustees of The Catholic Academy Trust In South Hampshire are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these financial statements 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

The Catholic Academy Trust in South Hampshire has third party indemnity provision in place via Zurich Municipal

Method of recruitment and appointment or election of trustees

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the The Articles of Association define that the Academy shall have the following:

- Two staff Governors
- Headteacher
- Two elected Parent Governors
- Foundation Governors appointed by the Diocesan Bishop such that the number of Foundation Governors exceeds the other Governors by two

Other Governors may be appointed by the Diocesan Bishop, Secretary of State or may be Co-opted under relevant clauses of the Articles of Association.

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Policies and procedures adopted for the induction and training of trustees

All new Governors are provided with a Governors Handbook specific to the workings of the school and Governing Body and are encouraged to undertake new Governor Induction training provided by Hampshire County Council.

Each new governor is also given access to our Governors virtual office whereby they can quickly access our library of policies and documents pertinent to the subject matter accessed. This facility will continue to expand as required to accommodate improved accessibility to key documents. Better informed governors are better placed to use their skills and further the values of the school.

The Governing Body have purchased a full access SLA from Hampshire Governor Services and all Governors are encouraged to avail themselves of the many courses provided. Additionally, full governing body training is provided on selected topics.

The Governors regularly complete a skills matrix to provide the governing body a platform to self-evaluate.

Organisational structure

The Governing Body meets five times per year and has appointed the following Sub Committees to manage specific areas of governor's responsibilities; we have the following sub committees:

- Resources & Management
- Standards and Admissions

All Governors are on at least one Sub Committee.

Governors are responsible for agreeing budget, all policies, strategic planning and senior staff appointments.

As and when required we shall create special sub committees to fulfill specific tasks and then report to the full board of governors. The day to day management and running of the school is delegated to the Headteacher and the School Leadership Team.

Arrangements for setting pay and remuneration of key management personnel

The Resources and Management committee is responsible for setting the Headteacher's pay. The Headteacher makes recommendations to the Resources and Management Committee for the pay and remuneration of all other Teaching and Support staff (inclusive of the Senior Management team and staff trustees).

Related parties and other connected charities and organisations

All of the Governors are related parties of the Academy.

The school has a Service Level Agreement with the Diocese of Portsmouth which provides support on issues of Governance, administration, leadership and management, and admissions.

Objectives and activities

Objects and aims

The Company's Object is to advance for the public benefit education in particular by establishing, maintaining, carrying on, managing and developing Catholic schools within the Academy Trust which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic Canon Law.

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, strategies and activities

St Anthony's is a Catholic community, inspired by the Gospel, where children learn and grow within a happy, secure and nurturing environment.

The 2018-2019 School Development Plan highlights the Academies key strategic priorities and are defined under the following headings

- High attainers at KS1 reaching Greater Depth at KS2
- Embedding Maths Mastery approach
- Pupil premium - Closing the gap
- Writing - embed new assessment scheme which helps teachers to teach to gaps more quickly and efficiently
- Close the gap between boys and girls attainment

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

We are delighted we have skilled personnel to lead us into a future that continues to become ever more challenging, particularly being that we are a faith based school in an increasingly secular world.

The Company's Object is to advance for the public benefit education in particular by establishing, maintaining, carrying on, managing and developing Catholic schools within the Academy Trust. This shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic Canon Law.

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key performance indicators

Whole School Results 2019

Year 1 Phonics Test:

Percentage of pupils who met the expected standard in phonics.

	School %	National %
2016	83.3%	81%
2017	87%	81%
2018	93%	81%
2019	93%	82%

Key Stage 1 results 2019:

Percentage of pupils reaching and percentage of pupils exceeding the expected standard and attainment gaps.

	Reading	Writing	Maths
ARE (Age related):	84%	74%	84%
National:	75%	69%	76%
Exceeding:	32%	29%	22%
National:	25%	15%	22%

Key Stage 2 results 2019:

Percentage of pupils reaching the expected standard and percentage of pupils reaching high level of attainment in reading, writing and maths.

	Reading	Spelling, Grammar and Punctuation	Maths	Writing	No. of children gaining ARE in reading, writing and maths
School	81%	84%	84%	90%	71%
National	73%	78%	79%	78%	64%
Greater Depth (High level of attainment)	45%	52%	35%	39%	19%
National	27%	36%	27%	20%	11%
School's average scaled score	107	108	106	n/a	n/a
National	105	106	104	n/a	n/a
Progress	1.6	n/a	0.3	2.3	n/a

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 the board of trustees 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.

Financial review

Most of the Academy's income is obtained from the Department for Education via the Education and Skills Funding Agency in the form of recurrent grants, the use of which is restricted to the purposes of education. The grants received from the ESFA during the period ending 31 August 2019 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activity.

Other income is received from parental donations, breakfast and afterschool club provision and Preschool provision.

Reserves policy

Our aim is to use the allocated funding each year for the full benefit of our current pupils. However we also consider it necessary to carry forward some reserves to:

Provide sufficient working capital to cover delays between spending and receipt of grants;

To invest in future years' priorities for the children of our school, for example capital projects; and to have a contingency reserve cover expenditure required for unforeseen circumstances such as urgent maintenance.

The level of unrestricted reserves held at 31 August 2019 was £136k (2018 £159k) which we consider is reasonable to meet the above objectives.

The level of restricted funds held at 31 August 2019 was £5k (2018 £160k).

We would ideally like to hold reserves of three months GAG income, approximately £195k, and will work to restore our reserves to a more reasonable level.

We continue to explore ways to maintain our reserves without detriment to the current pupils as we would generally seek to have a target reserve in line with what our Auditors might see as reasonable for our size and wealth.

Investment policy

All school accounts are interest bearing. As reserves grow, alternative investments have been researched. Given the current interest rates available and the risk profile of the school, the school's surplus funds are all held in a current account. The School will continue to review cash flow, discuss current investment opportunity with the Academy's Bank and make recommendations at the Resources and Management committee meetings on investment proposals in line with the Academy's Investment Policy.

Principal risks and uncertainties

The major risks to which the academy is exposed are those related to staffing cost increases as the academy income is based on the previous year's pupil numbers. As a single form entry school our revenue is limited by admission numbers largely out of our control. Staffing cost increases such as increased employers national insurance contributions and pension contributions have to be accommodated from within the Academy's existing funds.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for future periods

The school development plan remains an active document that identifies the priority areas which are to be monitored by the Governors, and these include Maths, English, Curriculum, Pupil Premium and Pupil Wellbeing.

Funds held as custodian trustee on behalf of others

None

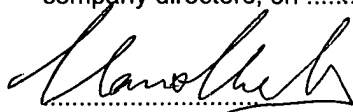
Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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.

Wilkins Kennedy Audit Services was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 19th Dec 2019 and signed on its behalf by:



M Miell

Chair of Trustees

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Catholic Academy Trust In South Hampshire 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 The Catholic Academy Trust In South Hampshire 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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
R Ashworth (Headteacher & Accounting Officer)	5	5
K Adams (Staff Trustee)	4	5
D Ambrosetti (Staff Trustee)	4	5
E Macpherson (Resigned 31 July 2019)	4	5
T Bint (Staff Trustee)	4	5
M Miell (Chair of Trustees)	5	5
N O'Donnell	5	5
B Stoker	5	5
K Pace	4	5
Fr P Hart (Resigned 25 November 2019)	4	5
J Callaghan	4	5
C Belli (Appointed 19 October 2018)	4	5
S Rao (Appointed 30 January 2019)	3	3
D Pattison (Appointed 1 October 2019)		
A Fitzpatrick (Appointed 1 August 2019)		

The Governors regularly complete a skills matrix to provide the governing body a platform to self-evaluate.

Training undertaken this year includes:

- New Governors training
- Complaints
- Safeguarding and Prevent
- Moving from good to outstanding

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Resources and Management committee is a sub-committee of the main board of trustees. Its purpose is to oversee the financial and management probity of the academy and to provide the decision making process to support the school day to day management by recommending actions to the main board and providing evidential support for those decisions.

The committee seeks to recognise the financial impact of various issues as and when they are identified and to ensure that we have the resources required or can recommend changing priorities so that the school has what it needs when needed.

Attendance at meetings in the year was as follows:

Trustees	No of Meetings	Attendance
R Ashworth (Headteacher)	6	6
K Pace	6	6
M Miell (Chair of Trustees)	6	6
T Bint (Staff Trustee)	6	4
N O'Donnell	6	3
B Stoker	6	3
S Rao	5	4

Review of value for money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- The gardening service was changed to a more effective gardener. Grounds are well kept.
- A Condition Improvement Fund grant was submitted and not yet granted for £131,422 to replace the fire doors in the school. This will improve safety for the staff and children.
- Changing to a cheaper photocopying contract.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Catholic Academy Trust In South Hampshire for the period 1 September 2018 to 31 August 2019 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 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 CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 resources and management committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed K Pace, trustee, to carry out a programme of internal checks

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of receipt of income systems
- testing of accounting system
- testing of Financial planning and oversight
- testing of internal control
- testing of fraud control measures

On a termly basis, the reviewer report to the board of trustees through the resources and management committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

During the year, one formal internal audit was conducted by K Pace, a trustee. The board will ensure that these internal audits are carried out on a termly basis going forward.

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019


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:

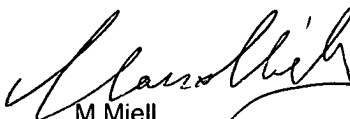
- the work of the reviewer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on ...19th Dec 2019 and signed on its behalf by:



R Ashworth
Headteacher & Accounting Officer



M Miell
Chair of Trustees

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

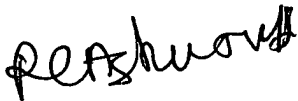
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of The Catholic Academy Trust In South Hampshire 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 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of 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 2018.

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.



R Ashworth
Accounting Officer

19th Dec 2019

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who also act as governors for The Catholic Academy Trust In South Hampshire and are also the directors of The Catholic Academy Trust In South Hampshire for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Direction issued 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:

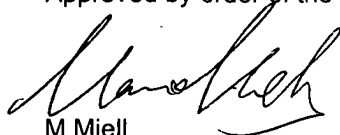
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 19th Dec 2019 and signed on its behalf by:



M Miell

Chair of Trustees

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the financial statements of The Catholic Academy Trust In South Hampshire for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 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 prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the academy trust 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 academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report including the incorporated strategic report have 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust'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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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. 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 auditors' 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

Wilkins Kennedy Audit Services

Michael Tizard (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services

19/12/2019

Statutory Auditor

3-4 Eastwood Court
Broadwater Road
Romsey
Hampshire
SO51 8JJ

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 24 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Catholic Academy Trust In South Hampshire during the period 1 September 2018 to 31 August 2019 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 Catholic Academy Trust In South Hampshire and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Catholic Academy Trust In South Hampshire and 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 Catholic Academy Trust In South Hampshire and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Catholic Academy Trust In South Hampshire's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Catholic Academy Trust In South Hampshire's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas of assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

W. Kennedy Audit Services
Reporting Accountant

Wilkins Kennedy Audit Services
3-4 Eastwood Court
Broadwater Road
Romsey
Hampshire
SO51 8JJ

Dated: *19/12/2019*

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2019 £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	3	1	15	17	33	482
Charitable activities:						
- Funding for educational operations	4	-	986	-	986	1,003
Other trading activities	5	177	-	-	177	177
Total		<u>178</u>	<u>1,001</u>	<u>17</u>	<u>1,196</u>	<u>1,662</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	174	1,225	59	1,458	1,561
Total	6	<u>174</u>	<u>1,225</u>	<u>59</u>	<u>1,458</u>	<u>1,561</u>
Net income/(expenditure)		4	(224)	(42)	(262)	101
Transfers between funds	16	-	3	(3)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(133)	-	(133)	68
Net movement in funds		4	(354)	(45)	(395)	169
Reconciliation of funds						
Total funds brought forward		159	(49)	2,410	2,520	2,351
Total funds carried forward		<u>163</u>	<u>(403)</u>	<u>2,365</u>	<u>2,125</u>	<u>2,520</u>

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000
Income and endowments from:					
Donations and capital grants	3	3	37	442	482
Charitable activities:					
- Funding for educational operations	4	-	1,003	-	1,003
Other trading activities	5	177	-	-	177
Total		<u>180</u>	<u>1,040</u>	<u>442</u>	<u>1,662</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	157	1,343	61	1,561
Total	6	<u>157</u>	<u>1,343</u>	<u>61</u>	<u>1,561</u>
Net income/(expenditure)		23	(303)	381	101
Transfers between funds	16	-	421	(421)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	68	-	68
Net movement in funds		23	186	(40)	169
Reconciliation of funds					
Total funds brought forward		136	(235)	2,450	2,351
Total funds carried forward		<u>159</u>	<u>(49)</u>	<u>2,410</u>	<u>2,520</u>

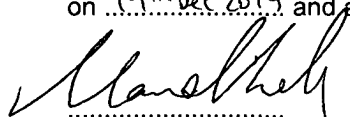
THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	11	2,365	2,410
Current assets			
Stocks	12	7	7
Debtors	13	57	261
Cash at bank and in hand		205	561
		<u>269</u>	<u>829</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(98)	(510)
Net current assets		<u>171</u>	<u>319</u>
Net assets excluding pension liability		<u>2,536</u>	<u>2,729</u>
Defined benefit pension scheme liability	18	(411)	(209)
Total net assets		<u>2,125</u>	<u>2,520</u>
Funds of the academy trust:			
Restricted funds	16		
- Fixed asset funds		2,365	2,410
- Restricted income funds		8	160
- Pension reserve		(411)	(209)
Total restricted funds		<u>1,962</u>	<u>2,361</u>
Unrestricted income funds	16	<u>163</u>	<u>159</u>
Total funds		<u>2,125</u>	<u>2,520</u>

The financial statements on pages 20 to 39 were approved by the trustees and authorised for issue on 19th Dec 2019 and are signed on their behalf by:



M Miell
Chair of Trustees

Company Number 07723349

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash used in operating activities	19	(359)	(45)
Cash flows from investing activities			
Capital grants from DfE Group		17	442
Purchase of tangible fixed assets		(16)	(21)
Proceeds from sale of tangible fixed assets		2	-
Net cash provided by investing activities		3	421
Net (decrease)/increase in cash and cash equivalents in the reporting period		(356)	376
Cash and cash equivalents at beginning of the year		561	185
Cash and cash equivalents at end of the year		205	561

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

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.

1.1 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Catholic Academy Trust In South Hampshire meets the definition of a public benefit entity under FRS 102.

1.2 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 charitable 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.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

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

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

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.

1.5 Tangible fixed assets and depreciation

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

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

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

Long-term leasehold property	5-50 years - straight line
Computer equipment	3 years - straight line
Fixtures, fittings & equipment	25% reducing balance

The leasehold premises valuation was provided by the Diocese on conversion to academy status. The lease is with Hampshire County Council for a term of 125 years commencing 1 September 2011.

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.

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.6 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.

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

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.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

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

1.11 Pensions benefits

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

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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. The 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 are 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.

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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 CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

Critical areas of judgement

The Trustees do not believe that they make any judgements that are critical to the academy trust's financial statements.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	17	17	442
Other donations	1	15	16	40
	<u>1</u>	<u>32</u>	<u>33</u>	<u>482</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	778	778	779
Other DfE group grants	-	96	96	100
	<u>-</u>	<u>874</u>	<u>874</u>	<u>879</u>
Other government grants				
Local authority grants	-	112	112	124
	<u>-</u>	<u>112</u>	<u>112</u>	<u>124</u>
Total funding	<u>-</u>	<u>986</u>	<u>986</u>	<u>1,003</u>

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	3	-	3	1
Catering income	32	-	32	34
Music tuition	19	-	19	17
Pre School income	13	-	13	15
Trip income	24	-	24	20
Other income	86	-	86	90
	<u>177</u>	<u>-</u>	<u>177</u>	<u>177</u>

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2019 £'000	Total 2018 £'000
Academy's educational operations					
- Direct costs	643	50	86	779	758
- Allocated support costs	290	192	197	679	803
	<u>933</u>	<u>242</u>	<u>283</u>	<u>1,458</u>	<u>1,561</u>

Net income/(expenditure) for the year includes:

	2019 £'000	2018 £'000
Fees payable to auditor for:		
- Audit	3	3
- Other services	2	2
Depreciation of tangible fixed assets	59	61
Net interest on defined benefit pension liability	5	6
	<u></u>	<u></u>

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Direct costs				
Educational operations	27	752	779	758
Support costs				
Educational operations	147	532	679	803
	<u>174</u>	<u>1,284</u>	<u>1,458</u>	<u>1,561</u>

	2019 £'000	2018 £'000
Analysis of support costs		
Support staff costs	290	240
Depreciation	9	12
Technology costs	29	24
Premises costs	183	371
Other support costs	150	146
Governance costs	18	10
	<u>679</u>	<u>803</u>

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Staff

Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	706	701
Social security costs	56	46
Pension costs	171	134
Amounts paid to employees	933	881
Amounts paid to staff	933	881
Staff development and other staff costs	19	6
Total staff expenditure	952	887

Staff numbers

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

	2019 Number	2018 Number
Teachers	12	12
Administration and support	27	29
Management	3	3
	42	44

Higher paid staff

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

	2019 Number	2018 Number
£60,000 - £70,000	1	-

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) received by key management personnel for their services to the academy trust was £205,149 (2018 - £167,000).

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

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

Mrs R Ashworth, Headteacher, Remuneration £60,000 - £65,000 (2018 - £55,000 - £60,000), Employers pension contributions £10,000- £15,000 (2018 - £5,000 - £10,000).

Mr T Bint, Staff Trustee, Remuneration £40,000 - £45,000 (2018 - £40,000 - £45,000), Employers pension contributions £10,000 - £15,000 (2018 - £5,000 - £10,000).

Mrs K Adams, Staff Trustee, Remuneration £35,000 - £40,000 (2018 - £35,000 - £40,000). Employers pension contributions £5,000 - £10,000 (2018 - £5,000 - £10,000).

Mrs D Ambrosetti, Staff Trustee, Remuneration £5,000 - £10,000 (2018 - £5,000 - £10,000). Employers pension contributions £0- £5,000 (2018 - £0 - £5,000).

During the year, Trustees were reimbursed expenses for travel and subsistence totalling £nil (2018 - £nil).

10 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2019 was included in the total insurance cost.

11 Tangible fixed assets

	Long-term leasehold property £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost				
At 1 September 2018	2,694	70	60	2,824
Additions	-	16	-	16
Disposals	(1)	-	(1)	(2)
At 31 August 2019	2,693	86	59	2,838
Depreciation				
At 1 September 2018	293	67	54	414
Charge for the year	50	8	1	59
At 31 August 2019	343	75	55	473
Net book value				
At 31 August 2019	2,350	11	4	2,365
At 31 August 2018	2,401	3	6	2,410

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12	Stocks	2019	2018
		£'000	£'000
	School uniform	7	7
		<u>7</u>	<u>7</u>
13	Debtors	2019	2018
		£'000	£'000
	Trade debtors	2	2
	VAT recoverable	24	66
	Other debtors	6	3
	Prepayments and accrued income	25	190
		<u>57</u>	<u>261</u>
		<u>57</u>	<u>261</u>
14	Creditors: amounts falling due within one year	2019	2018
		£'000	£'000
	Trade creditors	18	347
	Other taxation and social security	13	15
	Other creditors	14	15
	Accruals and deferred income	53	133
		<u>98</u>	<u>510</u>
		<u>98</u>	<u>510</u>
15	Deferred income	2019	2018
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	30	36
		<u>30</u>	<u>36</u>
		<u>30</u>	<u>36</u>
	Deferred income at 1 September 2018	36	42
	Released from previous years	(36)	(42)
	Resources deferred in the year	30	36
		<u>30</u>	<u>36</u>
	Deferred income at 31 August 2019	30	36
		<u>30</u>	<u>36</u>
		<u>30</u>	<u>36</u>

The deferred income at the balance sheet date relates to amounts received by the academy for the 2018 Autumn term for various services provided including Universal Infant Free School Meals grant income; Before and After school club payments and music income.

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	-	778	(1,156)	3	(375)
Other DfE / ESFA grants	160	96	-	-	256
Other government grants	-	112	-	-	112
Other restricted funds	-	15	-	-	15
Pension reserve	(209)	-	(69)	(133)	(411)
	<u>(49)</u>	<u>1,001</u>	<u>(1,225)</u>	<u>(130)</u>	<u>(403)</u>
Restricted fixed asset funds					
DfE group capital grants	2,410	17	(59)	(3)	2,365
	<u>2,410</u>	<u>17</u>	<u>(59)</u>	<u>(3)</u>	<u>2,365</u>
Total restricted funds	<u>2,361</u>	<u>1,018</u>	<u>(1,284)</u>	<u>(133)</u>	<u>1,962</u>
Unrestricted funds					
General funds	159	178	(174)	-	163
	<u>159</u>	<u>178</u>	<u>(174)</u>	<u>-</u>	<u>163</u>
Total funds	<u>2,520</u>	<u>1,196</u>	<u>(1,458)</u>	<u>(133)</u>	<u>2,125</u>

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

Unrestricted funds

These funds are for the general use of the academy and may be used towards meeting any of the charitable objectives of the academy trust at the discretion of the trustees.

Restricted funds

The General Annual Grant (GAG) represents funding from the ESFA during the year in order to fund the continuing activities of the academy.

Other DfE/EFA Grants include Pupil Premium to cater for disadvantaged pupils and Universal Infant Free School Meals (UIFSM) to provide free school meals for under sevens.

Fixed asset funds

The fund represents fixed assets transferred on conversion to academy trust status from Hampshire County Council together with DfE capital grants specifically for expenditure on fixed assets and the annual charge for depreciation of these assets.

The transfer of funds represents the devolved formula capital income and condition improvement fund income applied to revenue expenditure.

The trust is carrying a net surplus of £171k (2018 - £319k) on restricted general funds (excluding pension reserve) plus unrestricted funds.

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

(Continued)

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

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	5	779	(1,045)	261	-
Other DfE / ESFA grants	-	100	(100)	160	160
Other government grants	-	124	(124)	-	-
Other restricted funds	-	37	(37)	-	-
Pension reserve	(240)	-	(37)	68	(209)
	<u>(235)</u>	<u>1,040</u>	<u>(1,343)</u>	<u>489</u>	<u>(49)</u>
Restricted fixed asset funds					
DfE group capital grants	2,450	442	(61)	(421)	2,410
	<u>2,450</u>	<u>442</u>	<u>(61)</u>	<u>(421)</u>	<u>2,410</u>
Total restricted funds	<u>2,215</u>	<u>1,482</u>	<u>(1,404)</u>	<u>68</u>	<u>2,361</u>
Unrestricted funds					
General funds	136	180	(157)	-	159
	<u>136</u>	<u>180</u>	<u>(157)</u>	<u>-</u>	<u>159</u>
Total funds	<u>2,351</u>	<u>1,662</u>	<u>(1,561)</u>	<u>68</u>	<u>2,520</u>

17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	2,365	2,365
Current assets	163	106	-	269
Creditors falling due within one year	-	(98)	-	(98)
Defined benefit pension liability	-	(411)	-	(411)
Total net assets	<u>163</u>	<u>(403)</u>	<u>2,365</u>	<u>2,125</u>

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	2,410	2,410
Current assets	159	670	-	829
Creditors falling due within one year	-	(510)	-	(510)
Defined benefit pension liability	-	(209)	-	(209)
Total net assets	159	(49)	2,410	2,520

18 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 pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £14k (2018: £15k) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. 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 (including a 0.08% employer administration charge)
- 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2016 determined an employer rate of 23.6% payable from September 2019.

The employer's pension costs paid to the TPS in the period amounted to £63k (2018: £62k).

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and % for employees.

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

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations (Continued)

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	56	50
Employees' contributions	16	16
Total contributions	<u>72</u>	<u>66</u>

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.6	3.5
Rate of increase for pensions in payment/inflation	2.1	2.0
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	<u>2.1</u>	<u>2.0</u>

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

	2019 Years	2018 Years
Retiring today		
- Males	23.1	24.1
- Females	25.8	27.2
Retiring in 20 years		
- Males	24.7	26.2
- Females	<u>27.6</u>	<u>29.4</u>

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 August 2018 and the projected service cost for the period ending 31 August 2019 is set out below.

	2019 £'000	2018 £'000
Discount rate + 0.1%	23	16
Discount rate - 0.1%	24	17
Mortality assumption + 1 year	34	20
Mortality assumption - 1 year	34	20
CPI rate + 0.1%	17	12
CPI rate - 0.1%	<u>17</u>	<u>12</u>

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

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

	2019 Fair value £'000	2018 Fair value £'000
Equities	361	320
Bonds	123	114
Corporate bonds	-	6
Cash	11	12
Property	43	34
Other assets	60	14
Total market value of assets	<u>598</u>	<u>500</u>

The actual return on scheme assets was £32,000 (2018: £32,000).

Amount recognised in the Statement of Financial Activities

	2019 £'000	2018 £'000
Current service cost	79	81
Past service cost	41	-
Interest income	(15)	(11)
Interest cost	20	17
Total operating charge	<u>125</u>	<u>87</u>

Changes in the present value of defined benefit obligations

	2019 £'000
At 1 September 2018	709
Current service cost	79
Interest cost	20
Employee contributions	16
Actuarial loss/(gain)	150
Benefits paid	(6)
Past service cost	41
At 31 August 2019	<u>1,009</u>

THE CATHOLIC ACADEMY TRUST IN SOUTH HAMPSHIRE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

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

	2019 £'000
At 1 September 2018	500
Interest income	15
Actuarial gain	17
Employer contributions	56
Employee contributions	16
Benefits paid	(6)
	<u>598</u>
At 31 August 2019	<u>598</u>

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

	2019 £'000	2018 £'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(262)	101
Adjusted for:		
Capital grants from DfE and other capital income	(17)	(442)
Defined benefit pension costs less contributions payable	64	31
Defined benefit pension scheme finance cost	5	6
Depreciation of tangible fixed assets	59	61
(Increase) in stocks	-	(2)
Decrease/(increase) in debtors	204	(218)
(Decrease)/increase in creditors	(412)	418
Net cash used in operating activities	<u>(359)</u>	<u>(45)</u>

20 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

Certain trustees make use of the pre-school, breakfast and after-school clubs. Trustees are charged for these services at the same rate as all other users.

21 Members' liability

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