

Company Registration Number: 08068528 (England & Wales)

**THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(FORMERLY PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST)
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**



THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr S Fenning The Brentwood Diocesan Trust The Right Reverend A Williams
Trustees/Strategic Board	Mrs L Leggett Mrs C Bonich Mr S Fenning, Chair of Trustees Mrs M Breeze Mrs B Harris Mrs V Reynolds
Company registered number	08068528
Company name	The Rosary Trust - A Catholic Multi Academy
Registered and principal office	St Thomas More's Catholic Primary School Priory Street Colchester Essex CO1 2QB
Company Secretary	Mrs F Fenning
Accounting Officer	Mrs B Harris
Senior Leadership Team	Mrs B Harris, Executive Head Mrs M Breeze, St Clare's Head of School
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
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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 Rosary Trust – A Catholic Multi Academy (The Trust or the Charitable Company) for the year ended 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust changed its name from Primary Excellence - A Catholic Education Trust on 30 July 2019.

The Trust operates two Primary Academies (St Thomas More's Catholic Primary School and St Clare's Catholic Primary School) serving a catchment area in Colchester and Clacton. The Academies have a combined capacity of 525 and had a roll of 511 in the 2019 census.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- St Thomas More's Catholic Primary converted to an academy on the 01 June 2012, and to a multi academy on 01 September 2013.
- St Clare's Catholic Primary converted to a sponsored academy under The Rosary Trust - A Catholic Multi Academy on 01 September 2013.

The operation of the Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Strategic Board. Throughout this Report, the Board of Trustees is referred to as the Strategic Board (SB). Each Academy has appointed Local Governing Bodies (LGB) who have delegated authority to administer their Academy within agreed budgets.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report, the term Trustee refers to a member of the SB and the term Governor to a member of an LGB. Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

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 and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and details of the costs are disclosed in Note 11 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement. Trustees are appointed for a fixed term. The Executive Headteacher is an ex officio member of the SB and LGB's. The Parent and Staff Governors are elected to office, Foundation Trustees are appointed by the Diocese of Brentwood.

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TRUSTEES' REPORT (CONTINUED)
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Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

New Trustees/Governors are required to attend a training programme and are provided with a Trustees handbook. The induction programme includes a tour of the relevant Academy, meeting with the Executive Headteacher and where appropriate, members of the Senior Management Team, staff and pupils. They are provided with policy and procedures documents that are appropriate to the role they undertake as Trustees or Governors with particular emphasis on the committee work that they will undertake.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The SB meets on at least three occasions per year. The SB is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. This Board contains the Accounting Officer currently Headteacher of St Thomas More's Catholic Primary School.

The Governors within their LGB's which meet on at least three occasions each year are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits. Governors are members of one or two sub-committees, the terms of reference for which are reviewed annually, who report to the SB.

- Finance, Personnel and Premises Committee – this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports, from the Internal Auditor and drafting the annual budget including setting staffing levels. The committee has appointed SBM Services to carry out an internal audit of the Trust's operating structure. This Committee also review issues relating to Human Resources.
- The Audit Committee meets independently once a year to review the Internal Audit Report and again to review the Risk Management Policy. They receive monthly finance reports and reports from the Business Manager.
- Curriculum Committee – this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral.

The Executive Headteacher manages the Trust on a daily basis supported by a Senior Leadership Team (SLT) from each School. The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher, SB and the LGB as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of their Academy.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

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FOR THE YEAR ENDED 31 AUGUST 2019

All amendments to key management's pay and remuneration is approved by the appropriate Finance Committee and ratified by the SB. The SB decides the pay and remuneration for the Executive Headteacher and Head of School.

Trade Union Facility Time

We have no employees that are trade union representatives.

Related Parties and Other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the SB being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Area Deanery Heads;
- Brentwood Catholic Children's Society
- Millennium Trust
- Diocese Deanery Headteachers;
- Essex Teacher Training;
- SET Teaching School Alliances;
- Local Teaching School Alliance; and
- Colchester Institute and Sixth Form College.

The Trust does not have a formal sponsor.

Objectives and Activities

Objectives and Aims

The principal object and aim of the Charitable Company is the operation of a number of academies to provide free education and care for pupils of different abilities within its local community between the ages of 4 and 11.

Objectives, Strategies and Activities

During the year the Trust has worked towards these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- improving the effectiveness of the Academies by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements;
- conducting the Trust's business in accordance with the highest standards of integrity;
- sharing expertise across the Academies for the benefit of all children; and
- coaching and mentoring staff in both Academies.

The Trust aims to provide an outstanding education for each child in a friendly and supportive environment. We aim to help each child towards their full potential and to develop positive social and moral values.

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Public Benefit

The Trustees believe that by working towards the objectives and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their Academy. Specific achievements were as follows:

St. Thomas More's

- Key stage 2 – Working at expected or above
 - Reading 100%
 - SPAG 100%
 - Maths 97%
- Key stage 1 - working at expected or above
 - Reading 87%
 - Writing 87%
 - Maths 87%
 - Phonics Y1 97%

Once again, we were very pleased with St. Thomas More's results, as they remain consistently high. We were particularly pleased again this year with the number of children achieving the higher level in Y6 as this was similar to last year. Phonics results in Y1 exceeded our expectations with 97% of the children passing the test in year 1. Results in Y2 were excellent too.

Moderation activities will take place next year for EYFS, year 2 and year 6 as part of in house moderation and this will be shared with our local cluster of schools. We will continue to work closely with St Clare's on an upper KS2 project to improve Year 6 SATS results by offering targeted support to teaching in year 5 and 6. This includes a teacher on loan for the year.

St Clare's

- Key Stage 2 - Working at expected or above
 - Reading 76%
 - SPAG 81%
 - Maths 81%
 - Combined 74%
- Key stage 1 - Working at expected or above
 - Reading 81%
 - Writing 76%
 - Maths 81%
 - Phonics Y1 89%

KS1 and Phonics

Once again Phonics results were high and above national. It would have been higher if one of our year 1 children had not gone away on holiday! Our KS1 results were very good but slightly lower than last year reflecting the cohort of children.

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KS2

We were very pleased with our results this year as they were better than predicted. This reflects the hard work of all the staff and children. This has been a very difficult year group throughout the School but with extra support put in place since year 1 it has proved successful. We have a very strong team in UKS2 this year and hope to build on our success.

Key Performance Indicators

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2018/19 were 511 against a forecast of 525.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2018/19 this was 74%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the SB.

The Finance, Personnel and Premises Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the SB.

Going Concern

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

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the ESFA. For the year ended 31 August 2019 the Trust received £2,080,892 of GAG and other funding (excluding capital funding and donations in kind). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £2,721,185 on general running costs and transferred £10,772 to support capital new build and improvement projects on the various Academy sites; as a result the Trust made a surplus of £10,924. The Trust brought forward from 18/19, £7,073 of restricted funds (excluding pension and restricted fixed assets) and £733,481 unrestricted funding. The carry forward for 18/19 is £3,352 restricted funding and £737,174 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £2,025,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Managers. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

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The Trust's current level of free reserves (total unrestricted funds less the amount held in fixed assets and restricted funds) is £737,174. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2019 was £740,706.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £944,409. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee Business Manager reports and attempt to hold a minimum of £75,000 in each School to cover short term cash flow variances.

Investment Policy

The trust has an Investment Policy. The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trust works with the LGB's in maintaining a central risk register identifying the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the SB with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Audit & Risk Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- each Academy within the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the individual Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Academies is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;

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FOR THE YEAR ENDED 31 AUGUST 2019

- fraud and mismanagement of funds - The Trust has appointed SBM Services to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust and each Academy have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Fundraising

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

Plans for Future Periods

Both Academies try to ensure that they provide a high quality service in their local community to make sure that they remain a popular choice for parents. Emphasis is put on training so that staff are enabled to carry out their job to the best of their ability. The senior leaders in each Academy will continue to monitor their policies and ensure that all staff follow them. One of the planned activities each year is to enable year six children to go on a week's residential trip which forges strong bonds and friendships before they leave for secondary school. As we are a growing trust with four schools from 1 September 2019 we will have to work out manageable procedures to enable this high quality service to run across more schools.

Funds Held as Custodian Trustee on Behalf of Others

We hold no funds for others.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware;
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information; and
- The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the appropriate AGM meeting by the Members.

The Trustees' Report, incorporating a Strategic Report, was approved by the board of Trustees, on and signed on its behalf by:

2/12/2019


Mr S Fenning
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As SB, we acknowledge we have overall responsibility for ensuring that The Rosary Trust - A Catholic Multi Academy 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 SB has delegated the day-to-day responsibility to the Executive 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 Rosary Trust - A Catholic Multi Academy and the Secretary of State for Education. They are also responsible for reporting to the SB 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 SB has formally met 3 times during the year.

Attendance during the year at meetings of the SB was as follows:

Trustee	Meetings attended	Out of a possible
Mrs L Leggett	2	3
Mrs C Bonich	3	3
Mr S Fenning, Chair of Trustees	3	3
Mrs M Breeze	3	3
Mrs B Harris	3	3
Mrs V Reynolds	3	3

The composition of the SB has remained the same and all have agreed to serve another year. There have been no particular challenges during the year although time has been spent discussing the format for the new Board in preparation for expansion of the Trust. The Trust has focused on the performance and monitoring of its two Schools working closely with the two Headteachers in terms of challenge and support. Each school in the Trust has its own LGB, which also meets three times a year, and the chair of each LGB sits on the SB therefore we feel that with the 9 meetings across the group and the monthly management accounts for each School the SB finds this is sufficient to carry out its duties.

We carry out an annual skills audit for Trustees and Governors, which helps us to analyse both strengths and areas for development. This helps us to identify the skills required when appointing new members. Governors and Trustees attended a Governor peer review session early in year. The review has helped us to identify two areas for the new SB - finance and legal. An annual review takes place every autumn term.

The Finance and General Purposes Committee is a sub-committee of the SB. Its main Responsibility was delegated to the LGB finance committee for each School. Both Committees have remained the same with the main purpose to monitor and agree the budget, ensure value for money and maintain appropriate staffing levels. Trustees have monthly accounts and summary of everything is reported at the SB meetings

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Simon Fenning	3	3
Bridget Harris	3	3
Gregory Herbert	3	3
Elizabeth Hayes	3	3

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GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

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

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

- Getting better value for money through group buying which meant we got a discount on the school data package;
- Reviewing the provider of our staff absence insurance and managed a saving of 50% on the new policy; and
- Sharing training with other schools to reduce costs.

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 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 Rosary Trust - A Catholic Multi Academy for the year 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 SB has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The SB is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 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 SB.

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GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the SB;
- 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; and
- identification and management of risks.

The SB has considered the need for a specific internal audit function and has decided to appoint SBM Services as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included;

- Income, monitoring, reporting and accounting
- Payroll
- Banking and cash handling.

On an annual basis, the Internal Auditor reports to the SB through the Audit Committee on the operation of the systems of control and on the discharge of the SB's financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work. However, an action plan has been implemented and will be reviewed by the Finance / Audit Committees to address minor issues.


REVIEW OF EFFECTIVENESS


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

- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Trustees on 2/12/19 and signed on their behalf by:


Mr S Fenning
Chair of Trustees


Mrs E Harris
Accounting Officer

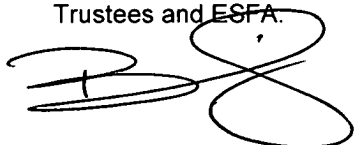
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Rosary Trust - A Catholic Multi Academy I have considered my responsibility to notify the Trust's 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 Trust, under the funding agreement in place between the 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 Trust's Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 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.

A handwritten signature in black ink, appearing to be 'B Harris', written over a circular scribble.

Mrs B Harris
Accounting Officer
Date: 2/12/19

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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 of 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;
- 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 the Board of Trustees on 2/12/19 and signed on its behalf by:



Mr S Fenning
Chair of Trustees

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(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROSARY TRUST - A CATHOLIC MULTI ACADEMY**

OPINION

We have audited the financial statements of The Rosary Trust - A Catholic Multi Academy (the 'Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', 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 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

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 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.

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROSARY TRUST - A CATHOLIC MULTI ACADEMY (CONTINUED)**

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 Auditors' Report thereon. Other information includes the Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the 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 our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROSARY TRUST - A CATHOLIC MULTI ACADEMY (CONTINUED)**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, 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 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

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

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

USE OF OUR REPORT

This Report is made solely to the Trusts'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 Trust'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 Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Gary Miller (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

5 December 2019

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
ROSARY TRUST - A CATHOLIC MULTI ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 5 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 Rosary Trust - A Catholic Multi Academy during the year 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 Rosary Trust - A Catholic Multi Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Rosary Trust - A Catholic Multi Academy 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 Rosary Trust - A Catholic Multi Academy and ESFA, for our work, for this Report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Rosary Trust - A Catholic Multi Academy's funding agreement with the Secretary of State for Education dated 1 June 2012 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 year 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.

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
ROSARY TRUST - A CATHOLIC MULTI ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

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.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 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.

Reporting Accountant

Price Bailey LLP

Date: 5 December 2019

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	2	1,003	215,542	543,942	760,487	228,377
Charitable activities	3	44,750	2,475,454	-	2,520,204	2,440,471
Teaching schools	28	-	47,500	-	47,500	46,000
Other trading activities	4	109,681	3,857	-	113,538	97,635
Investments	5	1,322	-	-	1,322	1,045
Total income		156,756	2,742,353	543,942	3,443,051	2,813,528
Expenditure on:						
Charitable activities		153,063	2,852,622	213,029	3,218,714	2,905,896
Teaching schools	28	-	47,500	-	47,500	46,000
Other expenditure		-	-	-	-	-
Total expenditure	6	153,063	2,900,122	213,029	3,266,214	2,951,896
Net income/ (expenditure)		3,693	(157,769)	330,913	176,837	(138,368)
Transfers between funds	19	-	(10,772)	10,772	-	-
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(247,000)	-	(247,000)	388,000
Net movement in funds		3,693	(415,541)	341,685	(70,163)	249,632
Reconciliation of funds:						
Total funds brought forward (restated)		733,481	(1,605,927)	149,789	(722,657)	(972,289)
Net movement in funds		3,693	(415,541)	341,685	(70,163)	249,632
Total funds carried forward		737,174	(2,021,468)	491,474	(792,820)	(722,657)

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 49 form part of these financial statements.

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08068528

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	As restated 2018 £
Fixed assets			
Tangible assets	13	146,019	149,789
		<u>146,019</u>	<u>149,789</u>
Current assets			
Stocks	14	732	787
Debtors	15	869,452	593,270
Cash at bank and in hand		944,409	801,228
		<u>1,814,593</u>	<u>1,395,285</u>
Creditors: amounts falling due within one year	16	(393,432)	(319,731)
Net current assets		<u>1,421,161</u>	<u>1,075,554</u>
Total assets less current liabilities		<u>1,567,180</u>	<u>1,225,343</u>
Creditors: amounts falling due after more than one year	17	(335,000)	(335,000)
Net assets excluding pension liability		<u>1,232,180</u>	<u>890,343</u>
Defined benefit pension scheme liability	24	(2,025,000)	(1,613,000)
Total net assets		<u><u>(792,820)</u></u>	<u><u>(722,657)</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	19	491,474	149,789
Restricted income funds	19	3,532	7,073
		<u>495,006</u>	<u>156,862</u>
Restricted funds excluding pension asset	19		
Pension reserve	19	(2,025,000)	(1,613,000)
Total restricted funds	19	<u>(1,529,994)</u>	<u>(1,456,138)</u>
Unrestricted income funds	19	<u>737,174</u>	<u>733,481</u>
Total funds		<u><u>(792,820)</u></u>	<u><u>(722,657)</u></u>

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

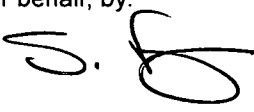
BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 19 to 49 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

2/12/19

Mr S Fenning
Chair of Trustees



The notes on pages 23 to 49 form part of these financial statements.

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	21	168,924	75,940
Cash flows from investing activities	22	(25,743)	(52,991)
Change in cash and cash equivalents in the year		143,181	22,949
Cash and cash equivalents at the beginning of the year		801,228	778,279
Cash and cash equivalents at the end of the year	23	<u>944,409</u>	<u>801,228</u>

The notes on pages 23 to 49 form part of these financial statements

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
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 of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Rosary Trust - A Catholic Multi Academy meets the definition of a public benefit entity under FRS 102.

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Company status

The Trust is a company limited by guarantee. Members are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Trust's registered office is St Thomas More's Catholic Primary School, Priory Street, Colchester, CO1 2QB.

1.3 Income

All income is recognised when the Trust has entitlement to the income, it is probable that income will be received and the amount of income receivable 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 year 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 year it is receivable and to the extent the Trust has provided the goods or services.

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Taxation

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

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.5 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Investment income, gains and losses are allocated to the appropriate fund.

1.6 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.7 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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.8 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. 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and equipment	- 10-15 years straight line
Computer equipment	- 5-10 years straight line

The Trust occupies land and buildings provided to it by the Diocesan Trustees under a license (also referred to as a Church Supplemental Agreement) which contains a two year notice period. Having considered the fact that the Trust occupies land and buildings by a license that transfers to the Trust no right or control over the site save that of occupying it at the will of the Diocesan Trustees under the agreement, the Trustees have concluded that the value of the land and buildings occupied by the Trust will not be recognised or valued within fixed assets.

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.

1.9 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.13 Liabilities

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust 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. 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.

1.14 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases 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 15. Prepayments are not financial instruments..

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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..

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account 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

1.16 Critical accounting estimates and areas of judgement

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	1,003	48,542	49,545	47,460
Donation in kind	-	167,000	167,000	167,000
Capital grants	-	543,942	543,942	13,917
	<u>1,003</u>	<u>759,484</u>	<u>760,487</u>	<u>228,377</u>
Total 2018	<u>-</u>	<u>228,377</u>	<u>228,377</u>	

In 2018, income from donations was £47,460 of all of which was restricted.

In 2018, income from notional rent was £167,000 of which all was restricted.

In 2019, capital grants of £543,942 (2018 - £13,917) were restricted.

3. Funding for the Trust's provision of education

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,080,892	2,080,892	2,067,149
Other DfE Group grants	-	286,814	286,814	253,229
	<u>-</u>	<u>2,367,706</u>	<u>2,367,706</u>	<u>2,320,378</u>
Other government grants				
Local Authority grants	-	107,748	107,748	71,755
	<u>-</u>	<u>107,748</u>	<u>107,748</u>	<u>71,755</u>
Other funding				
Catering income	44,750	-	44,750	48,338
	<u>44,750</u>	<u>-</u>	<u>44,750</u>	<u>48,338</u>
	<u>44,750</u>	<u>2,475,454</u>	<u>2,520,204</u>	<u>2,440,471</u>
Total 2018	<u>48,338</u>	<u>2,392,133</u>	<u>2,440,471</u>	

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FOR THE YEAR ENDED 31 AUGUST 2019**

3. Funding for the Trust's provision of education (continued)

In 2018, income from DFE/ESFA grants was £2,320,378 of which all was restricted.

In 2018, income from other government grants was £71,755 of which all was restricted.

In 2018, income from catering was £48,338 of which all was unrestricted.

4. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other activities	109,681	3,857	113,538	97,635
Total 2018	97,635	-	97,635	

In 2018, income from other activities was £97,635 all of which was unrestricted.

5. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	1,322	1,322	1,045

In 2018 all investment income was unrestricted.

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6. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Provision of education:					
Direct costs	1,753,703	-	331,967	2,085,670	1,807,664
Support costs	479,051	191,055	462,938	1,133,044	1,098,232
Teaching school	36,867	-	10,633	47,500	46,000
	<u>2,269,621</u>	<u>191,055</u>	<u>805,538</u>	<u>3,266,214</u>	<u>2,951,896</u>
Total 2018	<u>2,149,685</u>	<u>111,367</u>	<u>690,844</u>	<u>2,951,896</u>	

In 2018, of total expenditure, £25,986 was to unrestricted funds, £2,836,341 was to restricted funds and £89,569 was to restricted fixed asset fund.

In 2018, direct expenditure consisted of £1,652,602 staff costs and £155,062 other costs.

In 2018, support expenditure consisted of £457,879 staff costs, £111,367 premises costs and £528,986 other costs.

In 2018, teaching school expenditure consisted of £39,2047 staff costs and £6,796 other costs.

7. Charitable activities

	2019 £	2018 £
Direct costs	2,085,670	1,807,664
Support costs	1,133,044	1,098,232
Teaching schools	47,500	46,000
Total	<u>3,266,214</u>	<u>2,951,896</u>

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	2019 £	2018 £
Analysis of support costs		
Support staff costs	479,051	457,879
Depreciation	30,835	38,885
Technology costs	6,709	12,458
Premises costs (excluding depreciation)	174,294	111,367
Other support costs	418,075	469,195
Governance costs	24,080	8,448
Total	<u>1,133,044</u>	<u>1,098,232</u>

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	4,625	10,265
Depreciation of tangible fixed assets	30,835	38,885
Fees paid to Auditors for:		
- Audit	7,695	7,470
- Other services	<u>5,885</u>	<u>5,715</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,700,664	1,605,497
Social security costs	133,786	124,642
Pension costs	434,373	408,477
	<u>2,268,823</u>	<u>2,138,616</u>
Agency staff costs	798	11,069
	<u>2,269,621</u>	<u>2,149,685</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	31	31
Administration and Support	68	68
Management	4	3
	<u>103</u>	<u>102</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Trust was £199,250 (2018 - £173,407).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Central services

No central services were provided by the Trust to its Academies during the year and no central charges arose.

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Executive Head and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Head and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
Mrs B Harris	Remuneration	85,000 -	80,000 -
		90,000	85,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
Mrs M Breeze	Remuneration	65,000 -	60,000 -
		70,000	65,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000

During the year ended 31 August 2019, expenses totalling £1,016 were reimbursed or paid directly to 4 Trustees (2018 - £781 to 3 Trustees) for travel and other general costs.

12. Trustees', Governors' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees, Governors' and Officers from claims arising from negligent acts, errors or omissions occurring whilst on 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 £14,319 (2018 - £16,948). The cost of this insurance is included in the total insurance cost.

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13. Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 September 2018	183,355	180,633	363,988
Additions	10,726	16,339	27,065
At 31 August 2019	<u>194,081</u>	<u>196,972</u>	<u>391,053</u>
Depreciation			
At 1 September 2018	85,148	129,051	214,199
Charge for the year	17,808	13,027	30,835
At 31 August 2019	<u>102,956</u>	<u>142,078</u>	<u>245,034</u>
Net book value			
At 31 August 2019	<u>91,125</u>	<u>54,894</u>	<u>146,019</u>
At 31 August 2018	<u>98,207</u>	<u>51,582</u>	<u>149,789</u>

14. Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>732</u>	<u>787</u>

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15. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors (See note 27)	334,000	334,000
	<u>334,000</u>	<u>334,000</u>
Due within one year		
Other debtors	167,040	167,000
Prepayments and accrued income	312,668	79,313
VAT recoverable	55,744	12,957
	<u>869,452</u>	<u>593,270</u>

16. Creditors: Amounts falling due within one year

	2019 £	As restated 2018 £
Trade creditors	93,986	18,404
Other taxation and social security	66,392	63,839
Other creditors	174,983	175,761
Accruals and deferred income	58,071	61,727
	<u>393,432</u>	<u>319,731</u>
	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	50,477	43,442
Resources deferred during the year	48,525	50,477
Amounts released from previous periods	(50,477)	(43,442)
	<u>48,525</u>	<u>50,477</u>

Resources deferred at the period end relate to contributions towards future educational visits and free school meal income received in advance for academic year 2019/20.

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17. Creditors: Amounts falling due after more than one year

	2019	As restated 2018
	£	£
Other creditors (See note 27)	335,000	335,000

18. Prior year adjustments

A prior year adjustment has been made to reflect the new guidance in section 7.7 in the ESFA Academies Accounts Direction 2018-19. The right to occupy liability reflects the future notional rental expense as a creditor rather than the previous treatment as a restricted fund. This amounted to £501,000.

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19. Statement of funds

	Restated Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	733,481	156,756	(153,063)	-	-	737,174
Restricted general funds						
GAG	-	2,080,892	(2,070,120)	(10,772)	-	-
Other DfE	-	146,452	(145,320)	-	-	1,132
OGG	4,800	107,748	(110,148)	-	-	2,400
Pupil Premium	2,273	144,219	(146,492)	-	-	-
National College Grant	-	47,500	(47,500)	-	-	-
Restricted trip donations	-	48,542	(48,542)	-	-	-
Donation kind	-	167,000	(167,000)	-	-	-
Pension reserve	(1,613,000)	-	(165,000)	-	(247,000)	(2,025,000)
	<u>(1,605,927)</u>	<u>2,742,353</u>	<u>(2,900,122)</u>	<u>(10,772)</u>	<u>(247,000)</u>	<u>(2,021,468)</u>
Restricted fixed asset funds						
Fixed Assets	149,789	-	(30,835)	27,065	-	146,019
DFC	-	36,746	-	(16,293)	-	20,453
CIF Grant	-	507,196	(182,194)	-	-	325,002
	<u>149,789</u>	<u>543,942</u>	<u>(213,029)</u>	<u>10,772</u>	<u>-</u>	<u>491,474</u>
Total Restricted funds	<u>(1,456,138)</u>	<u>3,286,295</u>	<u>(3,113,151)</u>	<u>-</u>	<u>(247,000)</u>	<u>(1,529,994)</u>
Total funds	<u>(722,657)</u>	<u>3,443,051</u>	<u>(3,266,214)</u>	<u>-</u>	<u>(247,000)</u>	<u>(792,820)</u>

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19. Statement of funds (continued)

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

Unrestricted funds

This represents income received that does not have restrictions on its use.

Other Government grants (OGG)

This represents various small grants from local and national Government bodies for the provision of specific services to pupils of the Academies.

Pupil Premium

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals, looked after children and those from families with parents in the Armed Forces.

Restricted trip donations

This represents income received to be used for educational trips.

Other DfE grants

This fund largely represents income granted to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

National College grant

This fund is received from the NCTL and relates to income to be used to train Teachers.

Pension reserve

This reserve represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to it on conversion from state controlled schools.

Restricted fixed asset fund

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

Condition Improvement Fund grant

This represents funding received from ESFA for the maintenance and improvement of the Trust's buildings and facilities.

Devolved Formula Capital (DFC)

This represents funding received from the ESFA specifically for the maintenance and improvement of the Trust's buildings and facilities.

General Annual Grant (GAG)

This represents funding received from the ESFA to cover the costs of recurrent expenditure.

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19. Statement of funds (continued)

Donation in kind

This fund represents the rent free occupation of the land and buildings from the Diocese in Brentwood.

Total funds analysis by Academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	As restated 2018 £
St Thomas More's Catholic Academy	472,040	503,827
St Clare's Catholic Academy	268,666	236,727
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	740,706	740,554
Restricted fixed asset fund	491,474	149,789
Pension reserve	(2,025,000)	(1,613,000)
	<hr/>	<hr/>
Total	(792,820)	(722,657)
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by Academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
St Thomas More's Catholic Academy	695,817	197,605	55,083	524,872	1,473,377	1,312,703
St Clare's Catholic Academy	1,089,578	286,621	57,903	327,902	1,762,004	1,518,725
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,785,395	484,226	112,986	852,774	3,235,381	2,831,428
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

	Restated Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds					
Unrestricted funds	612,449	147,018	(25,986)	-	733,481
Restricted general funds					
General Annual Grant (GAG)	77,849	2,067,149	(2,090,962)	-	-
Other Government grants	-	69,231	(64,431)	-	4,800
Pupil premium	-	148,793	(146,520)	-	2,273
Restricted trip donations	-	47,460	(47,460)	-	-
Other DfE / ESFA grants	1,008	106,960	(107,968)	-	-
National College grant	-	46,000	(46,000)	-	-
Donation in kind	-	167,000	(167,000)	-	-
Pension reserve	(1,835,000)	-	(166,000)	388,000	(1,613,000)
	<u>(1,756,143)</u>	<u>2,652,593</u>	<u>(2,836,341)</u>	<u>388,000</u>	<u>(1,605,927)</u>
Restricted fixed asset funds					
Restricted fixed asset fund	134,638	-	(38,885)	-	149,789
Devolved Formula Capital (DFC)	36,767	13,917	-	-	-
	<u>171,405</u>	<u>13,917</u>	<u>(38,885)</u>	<u>-</u>	<u>149,789</u>
Total Restricted funds	<u>(1,584,738)</u>	<u>2,666,510</u>	<u>(2,875,226)</u>	<u>388,000</u>	<u>(1,456,138)</u>
Total funds	<u>(972,289)</u>	<u>2,813,528</u>	<u>(2,901,212)</u>	<u>388,000</u>	<u>(722,657)</u>

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	146,019	146,019
Debtors due after more than one year	334,000	-	-	334,000
Current assets	403,174	731,964	345,455	1,480,593
Creditors due within one year	-	(393,432)	-	(393,432)
Creditors due in more than one year	-	(335,000)	-	(335,000)
Provisions for liabilities and charges	-	(2,025,000)	-	(2,025,000)
Total	737,174	(2,021,468)	491,474	(792,820)

Analysis of net assets between funds - prior year (as restated)

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	149,789	149,789
Debtors due after more than one year	-	334,000	-	334,000
Current assets	733,481	327,804	-	1,061,285
Creditors due within one year	-	(319,731)	-	(319,731)
Creditors due in more than one year	-	(335,000)	-	(335,000)
Provisions for liabilities and charges	-	(1,613,000)	-	(1,613,000)
Total	733,481	(1,605,927)	149,789	(722,657)

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NOTES TO THE FINANCIAL STATEMENTS
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21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	176,837	(138,368)
Adjustments for:		
Depreciation	30,835	38,885
Interest receivable	(1,322)	(1,045)
Decrease in stocks	55	140
(Increase)/decrease in debtors	(276,182)	6,765
Increase in creditors	73,701	3,563
Pension adjustments	165,000	166,000
Net cash provided by operating activities	168,924	75,940

22. Cash flows from investing activities

	2019 £	2018 £
Purchase of tangible fixed assets	(27,065)	(54,036)
Interest received	1,322	1,045

23. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	944,409	801,228

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £44,387 were payable to the schemes at 31 August 2019 (2018 - £33,938) 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 full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers 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. 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 2012 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 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (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 £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 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%.

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24. Pension commitments (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £168,364 (2018 - £158,088).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £176,000 (2018 - £164,000), of which employer's contributions totalled £141,000 (2018 - £130,000) and employees' contributions totalled £ 35,000 (2018 - £34,000). The agreed contribution rates for future years are 21.7-24.2 per cent for employers and 5.5-12.5 per cent 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.

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.20	2.30
Inflation assumption (RPI)	3.20	3.30

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
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23	24.5
Females	25.4	27.1

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24. Pension commitments (continued)

As at the 31st August 2019 the Trust had a pension liability of £2,025,000 (2018 - £1,613,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way;

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	(85,000)	(69,000)
Discount rate -0.1%	86,000	71,000
Mortality assumption - 1 year increase	159,000	114,000
Mortality assumption - 1 year decrease	(153,000)	(110,000)
CPI rate +0.1%	77,000	64,000
CPI rate -0.1%	(76,000)	(63,000)

The Trust's share of the assets in the scheme was:

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,233,000	1,076,000
Gilts	108,000	84,000
Corporate bonds	111,000	101,000
Property	157,000	151,000
Cash and other liquid assets	57,000	51,000
Alternative assets	192,000	151,000
Other managed funds	100,000	67,000
Total market value of assets	1,958,000	1,681,000

The actual return on scheme assets was £147,000 (2018 - £95,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(233,000)	(250,000)
Past service cost	(32,000)	-
Interest income	46,000	40,000
Interest cost	(87,000)	(86,000)
Total amount recognised in the Statement of Financial Activities	(306,000)	(296,000)

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24. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	3,294,000	3,326,000
Interest cost	87,000	86,000
Employee contributions	35,000	34,000
Actuarial losses/(gains)	348,000	(333,000)
Benefits paid	(46,000)	(69,000)
Past service costs	32,000	-
Current service cost	233,000	250,000
At 31 August	<u>3,983,000</u>	<u>3,294,000</u>

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	1,681,000	1,491,000
Interest income	46,000	40,000
Actuarial gains	101,000	55,000
Employer contributions	141,000	130,000
Employee contributions	35,000	34,000
Benefits paid	(46,000)	(69,000)
At 31 August	<u>1,958,000</u>	<u>1,681,000</u>

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25. Operating lease commitments

At 31 August 2019 the Trust has commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Land and Buildings		
Not later than 1 year	2,500	2,500
Between 1 and 5 years	-	2,500
	<u>2,500</u>	<u>5,000</u>
	2019 £	2018 £
Other		
Not later than 1 year	3,496	3,496
Between 1 and 5 years	1,288	4,783
	<u>4,784</u>	<u>8,279</u>

26. 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.

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27. Related party transactions

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

Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

The Trust operates from land and buildings provided rent free by the Diocese of Brentwood. Under an agreement between the Diocese, the Trust and the Secretary of State, the Diocese would be required to give 24 months notice from the year end if it wished to terminate this agreement. No such notice had been given at the year end and the Diocese is therefore committed to providing land and buildings for a further 26 months from the year end. The Trustees estimate the cost of renting an equivalent buildings would be £167,000 per annum. On this basis a donation from the Diocese of £167,000 is shown in accounts together with a notional expense of £167,000. In addition, included within the debtors is a donation in kind received of £501,000 representing the commitment by the Diocese to provide the land and buildings rent free for a further 36 months.

During the period the Trust incurred expenditure of £2,898 (2018 - £3,312) in relation to educational support services from The Brentwood Roman Catholic Diocesan Trust. Right Reverend A Williams, a member of The Rosary Trust - A Catholic Multi Academy, is a Director of the sole trustee of The Brentwood Roman Catholic Diocesan Trust. At the year end no balance was due to The Brentwood Roman Catholic Diocesan Trust. Right Reverend A Williams is entitled to exercise 10% of the voting power of The Brentwood Catholic Diocesan Trust and has no financial or profit share entitlement so transactions with The Brentwood Roman Catholic Diocesan Trust are not subject to the 'at cost' rules set out in the Academies Financial Handbook.

The spouse of Trustee Mr S Fenning is employed by the Trust on a contract approved by Trustees. Their remuneration is in line with the standard payscales for the role undertaken and their employment contract is subject to normal terms and conditions.

During the period the Trust incurred expenditure of £124 (2018 - £NIL) in relation to educational support services from The North Essex Catholic Schools Millennium Trust. Bridget Harris and Moira Breeze, Members of The Rosary Trust - A Catholic Multi Academy, are Trustees.

There were no other related party transactions during the year ended 31 August 2019.

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Teaching school trading account

	2019 £	2019 £	2018 £	2018 £
INCOME				
Direct income				
Teacher training	47,500		46,000	
Total income		47,500		46,000
EXPENDITURE				
Direct expenditure				
Direct staff costs	31,692		34,210	
Staff development	8,025		3,069	
Other staff costs	71		203	
Total direct expenditure	39,788		37,482	
Other expenditure				
Other staff costs	5,175		4,994	
Other support costs	2,537		3,524	
Total other expenditure	7,712		8,518	
Total expenditure		47,500		46,000
Teaching school balances at 31 August 2019				