
The Painsley Catholic Academy
(A company limited by guarantee)

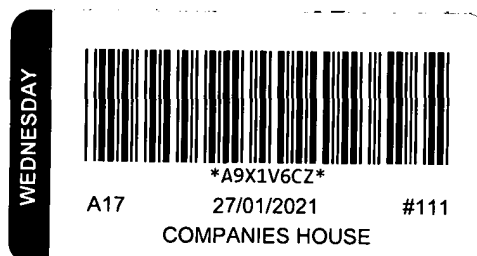
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

Company registration number
08146661 (England & Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR



The Painsley Catholic Academy

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The Painsley Catholic Academy

Reference and Administrative Details

Members: Barberi Newman Academy Trust

Trustees: Mr K. Wilson (Chair) *
Mr J. Holt *
Mrs B. Williams (Vice Chair) #
Mrs S. Hancox *
Ms C. McCarrigle #
Mr I. Crabbe - appointed 2/7/20

* members of the Resources and Pay committee

members of the Audit and Risk committee

Company Secretary: Mrs J. Bradbury

Senior Executive Team: Mr S.G. Bell (CEO and Accounting Officer)
Mrs J. Bradbury (Chief Operating/Financial Officer)
Mrs G. Wretham (Deputy CEO)
Mrs C. Horton (Deputy CEO)

Senior Management Team: Mrs R. Waugh (Acting Principal, Painsley Catholic College)
Mrs C. Tomlinson (Principal, St. Filumena's)
Mrs G. Wretham (Principal, St. Giles)
Mrs L. Machin (Principal, The Faber)
Mrs S. Baxter (Acting Principal, St. Thomas')
Mrs L. Sassi (Principal, St. Joseph's)
Mrs G. Turner (Head of School, St. Mary's, Leek)
Mr K. Brown (Principal, Blessed William Howard)
Mrs C. Williams (Principal, St. Patrick's) - left 31/5/20
Mr M. Brandon (Principal, St. Patrick's) - appointed 1/6/20
Mrs M. Hoyle (Head of School, St. Austin's)
Mrs B. Corbett (Executive Headteacher: St. Austin's and St. Mary's, Brewood)
Mrs L. Boland (Head of School, St. Mary's, Brewood) - left 31/12/19
Mrs M. T. Cornes (Principal, St. John's)
Mrs D. Stokes (Executive Principal, St. Dominic's and St. John's)
Mrs N. Hannett (Principal, St. Anne's) - left 31/8/20
Mr M. Killeen - appointed 17/4/20
Mrs C. Horton (Principal, Blessed Mother Teresa's)

The Painsley Catholic Academy

Reference and Administrative Details (continued)

Principal and Registered Office: Station Road
Cheadle,
Stoke-on-Trent
Staffordshire ST10 1LH

Company Registration Number: 08146661

Independent Auditor: Feltons
Chartered Accountants & Business Advisers
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

Bankers: Lloyds Bank
10 High Street
Cheadle
Staffordshire ST10 1AF

Solicitors: Browne Jacobson
Victoria Square House,
Victoria Square,
Birmingham B2 4BU

The Painsley Catholic Academy
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The academy trust operates a multi-academy for pupils aged 3 to 18 serving a catchment area in North and South Staffordshire. Its academies have a combined pupil capacity of 4,751 and had a roll of 4,491 in the school census January 2020. This includes 351 students on roll in the Sixth Forms on the January census.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Painsley Catholic Academy are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Painsley Catholic Academy.

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

Members' liability

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

Trustees Indemnities

Under the Companies Act 2006 s236, the Trustees confirm that during 2019/20 there were no third party indemnity provisions in operation.

**The Painsley Catholic Academy
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Trustees' report for the year ended 31 August 2020 (continued)

Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Any persons may be appointed by the Foundation Member (Barberi and Newman Academy Trust). The Founder Member may appoint such additional Members as it thinks fit and may remove any such additional Members appointed by it. If the Founder Member ceases to exist and is not replaced by a successor institution, or becomes insolvent or makes any arrangement or composition with its creditors generally its right to appoint Members under the Articles shall vest in the Diocesan Bishop.

Every person nominated to be a Member of the Company shall either sign a written consent to become a Member or sign the register of Members on becoming a Member.

As part of the procedures for the recruitment of new members, the completion of the Academy Foundation Director Application Form is compulsory and submitted to the Diocese for the approval of the Archbishop. Any new member must also complete the Deed of Adherence to the Scheme of Delegation and an undertaking to the Diocesan Bishop.

The structure of the Board of Directors includes: 4 Foundation Directors and 2 co-opted Directors.

Policies and procedures adopted for the Induction and Training of Trustees

All Trustees are provided with, will have read and understood the terms of: The Articles of Association, The Master Funding Agreement, The Supplemental Funding Agreement, the lease entered into by the Company as tenant with the Members as landlord and the lease entered into by the Company as a tenant with Staffordshire County Council as landlord.

Organisational Structure

The Board of Directors is responsible for the overall strategic direction of The Painsley Catholic Academy. The Directors have a duty to act in the fulfilment of the Company's objects.

The Directors are responsible for the vision of the MAC, setting associated strategies and MAC policies across the multi-academy, agreeing key areas of focus, which inform the individual schools' Implementation Plans, agreeing the budget for each school, monitoring the multi-academy by the use of budgets and making strategic decisions about the direction of the multi-academy, capital expenditure and senior staff appointments.

**The Painsley Catholic Academy
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Trustees' report for the year ended 31 August 2020 (continued)

Organisational Structure (continued)

Leadership and Management across the academy are delegated by Directors to the Trust's Senior Executive Team ie Chief Executive Officer/Accounting Officer, Deputy Chief Executive Officers and the Trust's Chief Operating/Financial Officer. In addition, each of the 15 schools has a Senior Leadership Team. The Senior Leadership Teams are responsible for implementing the policies laid down by Directors and reporting back to them through the various committees and their Local Governing Bodies. The Accounting Officer has overall responsibility for the Trust's financial matters, resources and oversight of financial transactions. The Chief Operating/Financial Officer has the responsibility for the Trust's detailed financial procedures. Some spending control is devolved to designated budget holders within a hierarchy of limits and in accordance with the approved Financial Regulations, Financial Scheme of Delegation and the Academies Financial Handbook.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the academy's Senior Executive Team and key management personnel is considered during the annual appraisal and performance management process. The Chief Executive/Accounting Officer, Deputy Chief Executive Officers, Chief Operating/Financial Officer and the Principals each have their performance management with a committee made up of two directors and an independent external educational adviser. Following the performance management review, any proposed pay progression for the staff across the schools is presented to the Resources Committee for approval following the appraisal process. Any pay progression for the Senior Executive Team is approved by the Board of Directors following the performance management process. The Board of Directors approve the 'Setting Executive Pay' policy, process and procedure on an annual basis.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	
51%-99%	
100%	

**The Painsley Catholic Academy
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Trustees' report for the year ended 31 August 2020 (continued)

Trade union facility time (continued)

Percentage of pay bill spent on facility time

Total cost of facility time	£1,050
Total pay bill	£20,097,101
Facility time as percentage of total pay bill	0.005%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0
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Related Parties and other Connected Charities and Organisations

Related party transactions are described in note 25 to the accounts.

Engagement with employees (including disabled persons)

The Painsley Catholic Academy engages with all employees on a regular basis, including disabled persons. The academy ensures this engagement includes:

- Providing employees with information on matters of concern to them. This is via staff meetings, bulletins, regular training sessions, email, team meetings and line management meetings.
- The academy consults employees or their representative regularly so that the views of employees are considered in making decisions which are likely to affect their interests.
- Employees are encouraged to get involved in the company's performance through department meetings, line management meetings, staff meetings and through the MAC Innovation Team meetings.
- A common awareness is achieved on the part of all employees of the factors affecting the performance of the company for teaching and learning and financial performance.
- The academy's Equality policy recognises and respects all applications for employment from disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled persons.

**The Painsley Catholic Academy
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Trustees' report for the year ended 31 August 2020 (continued)

Objectives and Activities

Objects and aims

The principal object and aims of the Company are specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Catholic schools offering a broad and balanced curriculum and conducted as Catholic Schools in accordance with the Code of Canon Law of the Latin Church from time-to-time and the doctrinal, social and moral teachings of the Catholic Church from time-to-time and following the directives and policies issued by the Diocesan Bishop to ensure that the formation, governance and education of the Academies is based on the principles of Catholic doctrine, and at all times serving as a witness to the Catholic faith in our Lord Jesus Christ.

Objectives, Strategies and Activities

The Painsley Catholic Academy's motto is 'Better Together'.

The Academy's main strategy is encompassed in its mission statement: *"With Christ at our heart, we will nurture and inspire each other to become the people he calls us to be"*.

The 2019/20 academy-wide targets were:

- W1 Percentage attendance to be 97%
- W2 All aspects of the development plan will be completed by July 2020 unless there are exceptional circumstances that the Executive Leaders/LGB/Directors are aware of
- W3 Common termly assessments in reading, writing and maths to be carried out with moderation across the MAC
- W4 All MAC calendar events are adhered to and records maintained on the PDS
- W5 Feedback and Marking Policy embedded across the MAC
- W6 Analysis of whole-school data every term
- W7 MAC schools to carry out effective moderation following termly assessments. To include the effectiveness, quality and rigour of the assessments
- W8 Nominate LGB members for Section 48, SEND, safeguarding, pupil premium, health and safety, and financial matters
- W9 To ensure budgets are monitored on a monthly basis

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Trustees' report for the year ended 31 August 2020 (continued)

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commissioner's general guidance on public benefit when reviewing the Academy's objectives and aims and in planning future activities for the year. The Trustees consider that the Academy's aims are demonstrably to the public benefit.

STRATEGIC REPORT

Achievements and Performance

To summarise key areas of progress in 2019/20:

All primary schools reviewed their phonics programmes with the majority adopting Read, Write, Inc (RWI).

The vast majority of primary schools are using Power Maths, with all schools starting from September. This provides consistency in the teaching and learning of maths.

Maths mastery has improved considerably at both primary and secondary schools resulting in pupils having a deeper conceptual understanding of mathematics as opposed to a superficial procedural understanding.

All primary schools have revamped their approach to teaching and learning in the foundation subjects. New progression maps have been written for every subject.

Sequencing has been reviewed across the curriculum.

Purple Mash has been embedded as the main scheme to teach computing across all primary schools. This has significantly improved the quality of teaching and learning in the subject.

Lightbulb Languages is used as the main MFL scheme. This has raised expectations in terms of the skills and knowledge required at KS2.

The Curriculum Vehicles have been a fantastic approach to providing pupils with an exciting, cultural-capital rich and innovative curriculum. Staff at both the primary and secondary schools are busy writing new vehicles for 2020/21.

A new Relationship and Health Education (primary)/Relationship and Sex Education (secondary) Policy has been produced and personalised for each school. Parents are being consulted over its contents in preparation for the September launch.

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Trustees' report for the year ended 31 August 2020 (continued)

Achievements and Performance (continued)

A new SEND Policy has been produced and is being personalised by each school.

A new Health and Safety Policy is also in operation across the schools.

Transition events will continue albeit largely virtually. One day visits took place at the secondary schools but these were in the primary school bubbles.

The new Marking and Feedback Policy was implemented successfully across the schools. This has sharpened the focus on the precise identification of pupils' strengths and weaknesses whilst reducing bureaucracy attached to marking.

Metacognition has been at the forefront of developments in teaching and learning.

Game changers have been identified through the more effective use of data. These pupils have received focused intervention in order to boost their progress.

Painsley and BWH have used a more sophisticated data system, which measures progress 8. This has also informed the identification of game changers and the need for focused interventions.

The primary schools have used new SIMs marksheets to monitor progress and identify game changers.

The workload and wellbeing of staff and pupils have been a focus throughout the year. All policies and strategies have been evaluated in terms of workload and there is no doubt that staff feel more supported and valued as a result of the measures implemented.

The Gatsby Benchmark has been used by Painsley and BWH to evaluate and improve the careers offer. This continues to be a focus for 2020/21.

There has been a sharpened focus on the learning environment with displays being used far more effectively as resources for pupils to use in their daily education.

New technologies with the Google platform are now being used across all schools in order to deliver live teaching.

Ofsted Inspections during 2019/20

St Mary's, Leek; December 2019

The Faber, Cotton; March 2020

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Trustees' report for the year ended 31 August 2020 (continued)

Going Concern

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

Financial Review

Most of the Academy's income is obtained from the Education and Skills Funding Agency in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During 2019/20 as an enlarged Trust with in excess of 3,000 pupils, the Academy received automatic capital grant funding of £694,416 through the 'Schools Condition Allocation' from the Education and Skills Funding Agency. This capital funding was used for the following:

School	Capital Project	Cost (includes fees and excl. VAT)
Blessed William Howard	Windows (phase 2)	£47,000
St Dominic's	Early years alteration	£189,995
St Filumena's	Boiler	£27,593
St Thomas	Minor works	£902
Painsley Catholic College	Gym refurbishment	£170,876
Painsley Catholic College	Pumping chamber replacement	£43,495
Painsley Catholic College	T-Levels project	£81,000
Remaining funds to be allocated		£133,555

In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities: Statement of Recommended Practice' (revised 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Painsley Teaching School and Maths Hub received a total of £524,306 grant income during 2019/20.

During the year ended 31 August 2020, the total income in relation to restricted general funds was £22,759,732. A transfer of £50,505 was made from restricted general funds to restricted fixed asset funds for general repairs and maintenance purchases.

Total expenditure in relation to restricted general funds was £22,457,006. Recurrent expenditure of £22,457,006 is covered by recurrent income of £22,759,732.

The Local Government Pension Scheme valuation as at 31 August 2020 of the academy element of the Staffordshire Pension fund shows a deficit of £12,150,000.

**The Painsley Catholic Academy
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Trustees' report for the year ended 31 August 2020 (continued)

Financial Review (continued)

As at 31 August 2020, the net book value of fixed assets was £8,988,734 and movements in tangible fixed assets are shown in note 12 of the financial statements. The assets were used exclusively in providing education and the associated support services to the students across the Academy.

The in-year surplus on unrestricted and restricted funds (excluding pension funds) is £1,847,691.

The Academy has a number of financial policies in place to ensure that it maintains and develops systems of financial control, which conform to the requirements of propriety, regularity and of sound financial management. These policies include: Accounting, Finance and Resources, Financial Risk Management and Risk Register, Counter Fraud, Theft and Corruption, Fraud Response Plan, Giving and Receiving of Donations and Gifts, Charges and Remissions and a Debt Recovery Policy, Reserves and Investment policy and Pooled funding and Appeals policy. In addition, the Academy has an in-depth Financial Scheme of Delegation which directors and all staff with financial responsibility strictly adhere to.

Key Performance Indicators

- Direct costs as a percentage of total costs were 73.3% (2019: 85.2%),
- Support costs as a percentage of total costs were 26.7% (2019: 14.8%),
- Total payroll costs as a percentage of recurring income were 78.8% (2019: 85.5%).

Reserves Policy

Any reserves held are in accordance with the requirements laid down in the Master Funding Agreement and by the Education and Skills Funding Agency. The level of general reserves (excluding the pension reserve and fixed asset funds) held at 31 August 2020 is £587,749 restricted and £1,259,942 unrestricted. The directors will review the level of reserves and policy for reserves annually. For 2019/20 Directors' agreed to reserves equating to £1m.

Investment Policy

It has been agreed by the Directors that the academy has two main current accounts (one for Painsley north and one for Painsley south), a separate account for standing order collections for buses, trips, instrumental lessons etc. and fifteen separate imprest accounts (one for each school) for the different needs of the Academy. In 2019/20 there was no separate investment account.

The academy's Investment policy states that investments should be made to further the Trust's charitable aims. However, Trustees must ensure that investment risk is properly managed and risk free. The Board of Trustees will agree an amount of funding on an annual basis to be transferred from the academy's main bank account to a new Investment account.

**The Painsley Catholic Academy
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Trustees' report for the year ended 31 August 2020 (continued)

Principal Risks and Uncertainties

An analysis of potential risk has been carried out by the Directors, the Chief Executive Officer/Accounting Officer and the Chief Financial Officer. Strategies have been identified to control and manage risks to the academy at the Audit and Risk committee and are detailed in the Academy's Risk Register.

The Academy has considerable reliance on continued government funding through ESFA. The Academy's revenue is ultimately publicly funded and this level of requirement is expected to continue with all funding from this source. There can be 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.

The risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA
- Reserves and Investment policy

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 17. This has reduced risk since the government directive to support the pooling of risk with Local Authorities for the Academy.

The Academy's Risk Register highlights a number of low risk areas, which Directors monitor. Two potential high risks for the Academy include Competition Risk and Technology Risk. This is monitored by Directors and is expected to be reviewed again in January 2021.

Fundraising

All fundraising carried out across The Painsley Catholic Academy continues to conform to recognised standards to raise funds for either charity causes or to fundraise to help to increase the multi-academy's income stream. In all cases, when fundraising, the multi-academy recognises the many legal regulations that it must adhere to including:

- ensuring that any third party fundraisers engaged by our charity comply with the Code of Fundraising Practice
- providing information to pupils and parents/carers on how to fundraise safely
- carrying out a proportionate process of due diligence when engaging in a fundraising partnership with a business
- processing unsubscribe requests in a timely way
- not making marketing telephone calls under the pretext of administrative calls
- ensuring that face-to-face fundraisers are properly trained

**The Painsley Catholic Academy
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Trustees' report for the year ended 31 August 2020 (continued)

Fundraising (continued)

- making a record of the issue and return of any charity collection materials
- securing cash donations and banking them as soon as possible
- not sharing personal data without explicit consent
- including opt-out information on fundraising communications sent to any named individuals

The fifteen schools across the multi-academy fundraise for many causes including: Mary's Meals where the academy set a target of raising £100,000 for the charity by 31/12/20. Other charities include: Father Hudson's, Dementia UK, Lourdes Pilgrimage, Children in Need, Douglas Macmillan and Cafod to name but a few. Annual Christmas supper and concert events take place where the PTA will assist the schools in fundraising in selling raffle tickets, where prizes have been donated to the schools by local businesses, providing stalls, games and refreshments to help to raise additional funds. The schools will occasionally have 'non-uniform' days where pupils have the option to not wear their uniform for one day and will contribute £1 towards either a specific charity or to help to raise funds for a specific school project.

All monies raised during any fundraising events or activities are accounted for separately on the academy's financial accounting system and the academy publicly announces how much money has been raised after each fundraising activity or event.

There have never been any fundraising complaints and there have never been any unreasonable intrusive or persistent fundraising approaches or any undue pressure to donate.

Streamlined Energy and Carbon Reporting

As the trust has consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a high energy user and under these regulations is required to report its emissions, energy consumption and energy efficiency activities as follows:

UK Greenhouse gas emissions and energy use data for the period 1 September to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	4,607,475
Energy consumption break down (kWh) (optional) <ul style="list-style-type: none">• gas• electricity• transport fuel	3,116,603 1,490,872

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Trustees' report for the year ended 31 August 2020 (continued)

Streamlined Energy and Carbon Reporting (continued)

<u>Scope 1 emissions in metric tonnes CO2e</u>	
Gas consumption	573.05
Owned transport – mini-buses	
<u>Scope 2 emissions in metric tonnes CO2e</u>	
Purchased electricity	347.58
<u>Scope 3 emissions in metric tonnes CO2e</u>	
Business travel in employee owned vehicles	
Total gross emissions in metric tonnes CO2e	
<u>Intensity ratio</u>	
Tonnes CO2e per pupil	0.211
<p><u>Quantification and Reporting Methodology</u></p> <ul style="list-style-type: none"> We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting. <p><u>Intensity measurement</u></p> <p>The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.</p> <p><u>Measurements taken to improve energy efficiency</u></p> <p>We have the majority of school meetings across the multi-academy via videoconferencing to reduce the need to travel between sites. The schools are currently completing their five year Estates Strategy which also focuses on how energy efficiency can be improved. The multi-academy is undertaking a full energy audit across each school and will also be reprocurring its energy during 2020/21.</p>	

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Trustees' report for the year ended 31 August 2020 (continued)

Plans for Future Periods

The newly enlarged multi-academy works towards agreed KPIs to ensure all pupils receive an outstanding education. The Board of Directors, who are highly skilled, work closely with the Chief Executive Officer, the Chief Operating/Financial Officer, Trust Senior Executive Team and Principals to ensure that every child receives the very best Catholic education. In addition, the Local Governing Body within each school works closely with the Principal to provide the 'critical friend' support required to ensure all children receive an outstanding education.

During 2020/21, the multi-academy will continue to drive school improvement working towards all schools being judged as 'outstanding' as part of our 10 year plan.

In relation to business management and financial efficiency, the academy will be reviewing all contracts across the schools. 2020/21 is the 'Year of Procurement' for the academy, focussing on areas such as: catering, cleaning, telephony, energy and transport, re-procuring and re-tendering to maximise financial efficiencies. The academy plans on using the reports provided by the Schools Resource Management Adviser to focus on key areas of financial efficiency.

Painsley Catholic College launched the new 'T' Levels Digital programme in September 2020 and plans to build on this and to deliver further T Level programmes in the future.

In addition, Painsley has also applied to become a Teaching Schools Hub. The school will find out if it has been successful in January 2021.

The schools continue to face financial pressures in balancing the books to ensure our pupils receive all the resources they require to ensure that the academy delivers the very best education.

The pandemic has had an impact on school finances where the academy has not been able to claim for additional expenditure eg home-to-school transport contracts, additional cleaning and PPE purchased after 31 July etc.

Funds Held as custodian Trustee on Behalf of Others

The Academy and its Trustees do not act as the Custodian Trustees of any other charity.

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Trustees' report for the year ended 31 August 2020 (continued)

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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 17/12/20 2020 and signed on the board's behalf by:

..... KR Wilson Mr Kenneth Wilson - Chair of Trustees

THE PAINSLY CATHOLIC ACADEMY

(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Painsley Catholic 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 board of trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Painsley Catholic Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
Mr K. Wilson, Trustee (Chairman)	5	5
Mrs B. Williams, Trustee (Vice-Chair)	5	5
Mr J. Holt, Trustee	4	5
Mrs S. Hancox, Trustee	5	5
Ms C. McGarrigle, Trustee	5	5
Mr I. Crabbe, Trustee (appointed 2/7/20)	1	1

To assist with the review of governance at the Academy, all Trustees completed a Skills Audit in November 2019 to ensure the committee membership for all core committees for the newly enlarged multi-academy was accurate with the skills set of Trustees matching the objectives and delegated powers of each committee. The skills audit is carried out on an annual basis.

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Governance statement for the year ended 31 August 2020 (continued)

The **Resources and Pay Committee** is a sub-committee of the main board of trustees. Its purpose is to:

- Ensure good financial management and effective internal controls
- Comply with the Funding Agreement and the Academies Financial Handbook
- Consider a draft budget for the year based on priorities in the Academy and individual academy development plans. Final budget to be approved by the Board of Directors.
- Ensure sufficient rigour and scrutiny in the budget management process to understand and address variances between the budget that has been set and actual income and expenditure, receive and consider information on financial performance at least three times a year, and take appropriate action to ensure ongoing viability
- Ensure value for money and efficiency is obtained across the MAC in all areas.
- Respond to auditors' comments
- Ensure compliance with financial regulations as set out by Company Law
- Determine the MAC improvement fund contribution
- Report on actions necessary to maintain the premises (land and buildings) in a satisfactory state of appearance and repair
- Determine annually the Pay policies adopted by the Academy and the Academy's salaries budget, the salaries of teaching staff.
- Determine annually, in accordance with the adopted Pay Policy and any appropriate regulations and agreements and within the Academy's salaries budget, the salaries and grading of support staff.
- Deal with any other matters relating to pay, appraisal and employment as may be referred by the MAC Board
- The Pay committee will ensure that each teacher's salary is reviewed annually, with effect from 1 September and no later than 1 December each year, and that all teachers are given a written statement setting out their salary and any other financial benefits to which they are entitled.
- Decisions on support staff pay will be made by 31 March each year with employees being notified in writing of the pay decisions from directors.
- The Board of Directors must ensure that their decisions about levels of executive pay follow a robust evidence-based process and are reflective of the individual's role and responsibilities.
- Work with the LGB to develop a 5 year estate management strategy for each academy.
- Once the 5 year estate management strategy is in place for each academy, to determine the building/funding priorities throughout the MAC.
- Ensure the accounting system for any non-official funds is sufficiently strong so that misuse or error are detected (as determined by the financial policies)

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Governance statement for the year ended 31 August 2020 (continued)

- Ensure that assets (land and buildings) have appropriate levels of insurance cover at all times
- Respond to recommendations from the Audit and Risk Committee
- Monitor and review the use of all available resources in order to improve the quality of education, improve pupils' achievements and secure value for money
- Develop and maintain a website for the Trust ensuring information required by statute, Funding Agreements and Academies Financial Handbook is published.

During 2019/20, Mr Sanders, Academy Finance Manager, who is a qualified Accountant also joined the committee meetings. Mr Sanders regularly attends the Resources committee meetings to advise Directors on the Management Accounts for each school and progress towards appropriate ESFA returns. In addition, Mrs Bradbury also attended the Resources committee as Chief Operating and Financial Officer.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Hancox, Trustee (Chair)	6	6
Mr K. Wilson, Trustee	6	6
Mr J. Holt, Trustee (joined committee 21/5/20)	3	3

The **Audit and Risk committee** is also a sub-committee of the main board of trustees. Its purpose is to act as an advisory body with no executive powers. However, it is authorised by the board to investigate any activity within its terms of reference, and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its inquiries. Requests for work, and reports received, from internal audit will be channelled through the Accounting Officer, to whom the Internal Auditors and Responsible Officer reports. The Audit and Risk committee is authorised to obtain independent professional advice if it considers this necessary.

Role and Responsibilities of the Committee

The specific duties, role and responsibilities are to:

- Review the multi-academy's internal and external financial statements and reports to ensure that they reflect best practice.

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Governance statement for the year ended 31 August 2020 (continued)

- Discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff.
- Consider all relevant reports by the Responsible Officer, internal auditors and external auditors including reports on the multi-academy accounts, achievement of value for money and the response to any management letters.
- Review the effectiveness of the multi-academy internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner.
- Ensure that the multi-academy internal audit service meets, or exceeds, the standards specified in the Government Internal Audit manual, complies in all other respects with these guidelines and meets agreed levels of service.
- Consider and advise the board on the academy's annual and long-term audit programme.
- Consider internal audit reports, including value-for-money reports and the arrangements for their implementation.
- Review the Risk Management in place across the Trust ensuring a robust Risk Register is in place and reviewed annually
- Adopt a Trust wide Health and Safety policy, ensuring all statutory compliance with health and safety is met across the Trust
- Conduct regular consideration of Health and Safety issues associated with the buildings/sites including consideration of information from the LGBs
- Adopt a Trust wide Lettings policy in accordance with the requirements of the DES, the committee will review this annually making any necessary recommendations to the Board of Directors
- Review the operation of the academy's code of practice for board members and code of conduct for staff.
- Consider any other matters where requested to do so by the board.
- Report at least once a year to the board on the discharge of the above duties.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr J. Holt (Chair) (joined Resources from 21/5/20)	2	2
Mrs B. Williams (Became Chair from 21/5/20)	3	3
Ms C. McGarrigle	2	3

**The Painsley Catholic Academy
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Governance statement for the year ended 31 August 2020 (continued)

Review of Value for Money

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

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

The academy School Business Management review and consultation was completed in January 2020 with each school retaining a School Business Manager, except for the two smaller schools where administrators are employed and the schools are supported by the central finance team. Retaining School Business Managers within the schools enables the Principals to focus on teaching and learning and has also retained the business and finance skills in-house across the academy. As a result, this has ensured that the central finance team has remained lean ensuring that the central costs charged to the schools are kept at a minimum. Indeed for 2019/20 the central costs equated to 3.8% of GAG, which is relatively low compared to the national average.

The academy reviewed its insurance provision during 2019/20 comparing its current provision with the RPA scheme. The review resulted in the academy saving £75k and now has all building and contents insurance with Zurich Municipal at £23 per pupil compared to the RPA at £22 per pupil (additional policies were required in addition to the standard RPA cover). Zurich also provide a dedicated accounts manager to support the academy, providing continuity across the schools.

During 2019/20 the academy also reviewed its multi-functional devices across the 15 schools and went out to tender using the Crescent Purchasing Consortium framework. As a result of the tender, the contract was awarded to Altodigital for three years.

The central support team is very lean: CEO, two DCEOs (who are 0.8 Principals), CFO, Finance Manager, central finance team, part-time Marketing Co-ordinator, Network Manager, part-time Compliance Officer and part-time SEND Co-ordinator. This is to ensure that the central service costs are kept to a minimum that, in turn, financially benefits each school. For 2020/21 the central service costs equate to 3.9% compared to 3.8% in 2019/20.

During 2020/21, the trust seeks to make further financial savings through reviewing; catering, cleaning, home-to-school transport, telephony and payroll.

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Governance statement for the year ended 31 August 2020 (continued)

Review of Value for Money (continued)

A system of internal financial control is in place including transparent spending controls, up-to-date financial records and continuous financial monitoring, which is reported on a regular basis to the Accounting Officer, Principals and Directors through the Board of Directors, Resources Committee and the Academy's Audit Committee. All policies are centralised across the academy including all financial policies.

Having a School Business Manager within each school and a strong central support team allows the Principals to focus on driving forward school improvement and teaching and learning. The excellent results achieved by Painsley Catholic College and Blessed William Howard in August 2020 reflect the high quality of teaching and learning in the schools. The provision of remote education in the form of live teaching across the MAC from March 2020 is a reflection on the impact of how the academy spends its money wisely and efficiently, always seeking best value, which has resulted in these outstanding academic results for all students across the academy.

Painsley Catholic College's Teaching School and Maths Hub continues to flourish with the College's launch of the new 'T' Levels Digital programmes in September 2020.

The Academy employs an Education Welfare Officer who works across the secondary and primary schools and helps support both parents and students. As a result of this post, attendance at each of these schools is a focus with the aim being to achieve the Trust target of 97%.

Specialist teachers are also shared across the multi-academy. Modern Foreign Languages, D and T, PE and Music are taught by the secondary school to the primary school children. Children across the feeder primary schools regularly visit the secondary schools to join in different activities. This also helps with the smooth transition from primary to secondary school. Instrumental Music lessons are also taught by the Academy's staff with fewer hours now being contracted in from the Local Authority.

Self-evaluation of the impact of Pupil Premium money follows the academy pattern of self-evaluation. The Pupil Premium reports are monitored closely by directors and each LGB has a Pupil Premium Link Governor who attends the Pupil Premium committee three times each year which is chaired by the Link Director for Pupil Premium. The Pupil Premium statement is a live document that is monitored closely for progression. Every curriculum area has a section that supports the needs of FSM/CLA and these are collated centrally and monitored by each Head of Department and the lead person for pupil premium.

Based on the academy's mission statement, The Painsley Catholic Academy provides opportunities to nurture and support those who are eligible for the pupil premium so that their attainment is equivalent to non-FSM/non-CLA children

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Governance statement for the year ended 31 August 2020 (continued)

Review of Value for Money (continued)

Not all children who qualify for FSM are socially disadvantaged and not all socially disadvantaged children qualify or are registered for FSM. Therefore, we focus on the needs and levels of progress for all children. Expectations for all children are high and aspirational targets are set for every category of student. We also recognise that not all children entitled to FSM are underachieving or of low ability and will seek to support their needs through appropriate enrichment and aspiration. During 2019/20, Pupil Premium funding was used to support low income families with school transport, Instrumental lessons, and taxi fares to help Year 11 students attend breakfast and after-school revision sessions, trips, school uniform, support sessions including one-to-one support, and providing remote access to online live teaching.

The home-to-school transport arrangements managed by Painsley and BWH, continue to operate successfully. There has been frequent financial reporting to both the Resources committee and the Board of Directors. To eliminate the school transport financial deficit position and to ensure a break-even situation, the secondary schools will be re-tendering the home-to-school transport during 2020/21. School transport remains a concern in relation to the new PSVAR regulations which become live from September 2021. The successful coach companies who are awarded transport tenders for both Painsley and BWH will comply with the new regulations. This will result in local transport operators having to purchase new vehicles to comply with the regulations and, in turn, the additional cost incurred will be passed onto the schools. As a result, the schools will have no option but to pass some of the additional costs onto the parents. This is a key area of concern for both Painsley and Blessed William Howard.

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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Painsley Catholic Academy for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Governance statement for the year ended 31 August 2020 (continued)

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the Resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has appointed an internal auditor to work across the trust with a rolling programme of audit compliance checks agreed by trustees annually.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The internal auditor reports to the Board of Trustees (via the Audit and Risk committee, Accounting Officer and Chief Financial Officer) on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The checks carried out in the current period included the Internal Auditor carrying out health checks in accordance with the academy's financial policies and procedures for all schools in the multi-academy. The object of the checks was to provide assurance to the Trustees that correct procedures are being followed on key areas of financial administration and processes. The schedule of work planned by the internal auditor covered a review of the centralised business and financial procedures operating across the academy including:

- Financial Management (scheme of delegation, budget setting/authorisation, budget monitoring)
- Bank Reconciliation
- Payment processing
- Returns to the DfE
- Access to the Finance system
- HR and payroll
- Census returns
- Completion by each school of the internal academy financial checklists

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Governance statement for the year ended 31 August 2020 (continued)

The Risk and Control Framework (continued)

The internal audit inspections also included health checks across the fifteen schools providing assurance on the following areas:

- Income
- Procurement
- Debit Cards
- Imprest
- Inventory
- Staffing
- IT Security

On a termly basis, the Chief Financial Officer reports to the Resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. In addition, the trust's internal auditor reports to the Audit and Risk committee following any internal reviews across the multi-academy trust.

During 2019/20 the Chief Operating/Financial Officer introduced a weekly and monthly business and finance checklist for the central finance team, School Business Managers and Principals to complete. The checklist ensures consistency in working practice across the multi-academy and tight internal controls. The checklists are returned to the Internal Auditor on a weekly and monthly basis with a report being produced for the CEO/CFO and directors in relation to progress and findings. These are then shared with the schools to ensure key findings are communicated and recommendations implemented immediately.

Review of Effectiveness

As the Accounting Officer, the Chief Executive 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 audit team and the named Responsible Officer
- The work of the external auditors
- The financial management
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Governance statement for the year ended 31 August 2020 (continued)

Approved by order of the members of the board of trustees on17/12/..... 2020 and signed on their behalf, by:

.....K.R. Wilson.....

Mr Kenneth Wilson

Chair of Trustees

.....Stephen George Bell.....

Mr Stephen George Bell

Accounting Officer/Chief Executive

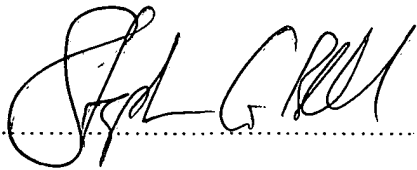
**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Statement of regularity, propriety and compliance for the year ended 31 August 2020

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

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

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



Mr Stephen George Bell – Accounting Officer

17/12/2020

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Statement of Trustees' Responsibilities for the year ended 31 August 2020

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on17/12/20.....
2020 and signed on its behalf by:

K.R. Wilson

Mr Kenneth Wilson – Chair of Trustees

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of
The Painsley Catholic Academy**

Opinion

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

In our opinion the financial statements :

- give a true and fair view of the state of the multi academy trust's affairs as at 31 August 2020, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Multi Academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of The Painsley Catholic Academy
(continued)**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' 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 matter 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 Multi Academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of The Painsley Catholic Academy
(continued)**

Responsibilities for the financial statements

As explained more fully in the trustees' responsibilities statement (set out on page 28), the trustees (who are also the directors of the Multi Academy trust 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 Multi Academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Multi Academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Multi Academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Multi Academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Multi Academy trust to cease to continue as a going concern.

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of The Painsley Catholic Academy
(continued)**

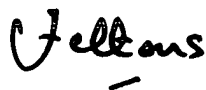
Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Multi Academy trust'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 Multi Academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Multi Academy trust and the Multi Academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

21 December 2020

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Independent Reporting Accountant's Assurance Report on Regularity to The Painsley Catholic Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 22 May 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Painsley Catholic Academy during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Painsley Catholic Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Painsley Catholic 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 Painsley Catholic Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Painsley Catholic Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Painsley Catholic Academy's funding agreement with the Secretary of State for Education dated 4 September 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Independent Reporting Accountant's Assurance Report on Regularity to The Painsley Catholic Academy and the Education and Skills Funding Agency (continued)

Approach (continued)

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the multi academy trust's funding agreement
- Review and evaluation of the multi academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Conclusion

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



David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

21 December 2020

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2020
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2019/20 £	Total 2018/19 £
Income from :							
Donations and capital grants	2	86,293	-	-	1,456,965	1,543,258	1,158,384
Transfers of existing academies		-	-	-	-	-	(1,117,653)
Charitable activities :	3						
Funding for the academy trust's educational operations		847,048	-	22,235,426	-	23,082,474	21,995,264
Teaching schools	27	220,746	-	524,306	-	745,052	994,770
Other trading activities	4	265,232	-	-	-	265,232	504,733
Investments	5	2,498	-	-	-	2,498	8,930
Total		1,421,817	-	22,759,732	1,456,965	25,638,514	23,544,428
Expenditure on :							
Charitable activities:							
Academy trust educational operations	6, 7	1,723,806	1,156,000	21,776,252	388,974	25,045,032	24,650,711
Teaching schools	27	220,746	-	680,754	-	901,500	941,429
Total		1,944,552	1,156,000	22,457,006	388,974	25,946,532	25,592,140
Net income/(expenditure) before transfers		(522,735)	(1,156,000)	302,726	1,067,991	(308,018)	(2,047,712)
Transfers between funds	15	-	-	50,505	(50,505)	-	-
Net income/(expenditure) after transfers		(522,735)	(1,156,000)	353,231	1,017,486	(308,018)	(2,047,712)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	15, 24	-	(484,000)	-	-	(484,000)	(2,757,000)
Net movement in funds		(522,735)	(1,640,000)	353,231	1,017,486	(792,018)	(4,804,712)
Reconciliation of funds							
Total funds brought forward	16	1,782,677	(10,510,000)	234,518	7,971,248	(521,557)	4,283,155
Total funds carried forward		1,259,942	(12,150,000)	587,749	8,988,734	(1,313,575)	(521,557)

All of the Academy's activities derive from continuing operations during the above two financial periods.

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Company number : 08146661
Balance sheet as at 31 August 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		8,251,119		7,971,248
Current assets					
Debtors	13	1,263,812		906,817	
Cash at bank and in hand		<u>3,305,372</u>		<u>3,229,496</u>	
		4,569,184		4,136,313	
Liabilities					
Creditors: amounts falling due within one year	14(a)	<u>1,950,624</u>		<u>2,078,343</u>	
Net current assets			2,618,560		2,057,970
Total assets less current liabilities			<u>10,869,679</u>		<u>10,029,218</u>
Creditors: amounts falling due after more than one year	14(b)		(33,254)		(40,775)
Net assets excluding pension liability			<u>10,836,425</u>		<u>9,988,443</u>
Defined benefit pension scheme liability	24		(12,150,000)		(10,510,000)
Total net liabilities			<u>(1,313,575)</u>		<u>(521,557)</u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	15	8,988,734		7,971,248	
Restricted income fund	15	587,749		234,518	
Pension reserve	15	<u>(12,150,000)</u>		<u>(10,510,000)</u>	
Total restricted funds			(2,573,517)		(2,304,234)
Unrestricted income funds	15		1,259,942		1,782,677
Total funds			<u>(1,313,575)</u>		<u>(521,557)</u>

The financial statements on pages 35 to 61 were approved by the trustees, and authorised for issue on 17/12/20 2020 and are signed on their behalf by:



Mr Kenneth Wilson - Chair of Trustees

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Statement of cash flows for the year ended 31 August 2020

	Notes	2019/20 £	2018/19 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	19	(702,817)	(651,945)
Cash transferred in from existing academies		-	1,656,106
Cash flows from investing activities	20	790,618	810,462
Cash flows from financing activities	21	(11,925)	(14,991)
		<u>75,876</u>	<u>1,799,632</u>
Cash and cash equivalents at 1 September 2019		3,229,496	1,429,864
Cash and cash equivalents at 31 August 2020	22	<u>3,305,372</u>	<u>3,229,496</u>

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2020

1. Accounting policies

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

Basis of preparation

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

The Painsley Catholic Academy meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

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

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year 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.

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2020 (continued)

1. Accounting policies (continued)

Income (continued)

- **Other income**
Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the multi academy trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the multi academy trust's accounting policies.

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.

- **Expenditure on raising funds**
This includes all expenditure incurred by the multi academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**
These are costs incurred on the multi academy trust's educational operations, including support costs and costs relating to the governance of the multi academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2020 (continued)

1. Accounting policies (continued)

Tangible fixed assets (continued)

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 and assets under construction, at rates calculated to write off the cost of each asset over its expected useful life as follows:

Long leasehold land	- straight line over 125 years
Long leasehold buildings	- straight line over 50 years
Long leasehold improvements	- 10% straight line
Fixtures and fittings	- 20% straight line
Computer hardware	- 33% straight line
Motor vehicles	- 25% reducing balance

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

In addition to the leasehold land and buildings the Academy Trust also occupies property held under church supplemental agreements which permit occupancy of the premises with a notice period of two years. The Academy Trust is not able to exercise control over this property and therefore no fixed asset has been recognised in the financial statements other than capital improvements since transfer.

Liabilities

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

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2020 (continued)

1. Accounting policies (continued)

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

Taxation

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

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

Pension benefits

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

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

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

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2020 (continued)

1. Accounting policies (continued)

Leased assets

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Agency arrangements

The multi academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 26.

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2020 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
Capital grants	-	-	1,456,965	1,456,965	943,283
Other donations	86,293	-	-	86,293	215,101
	86,293	-	1,456,965	1,543,258	1,158,384
Transfers of existing academies	-	-	-	-	(1,117,653)
	86,293	-	1,456,965	1,543,258	40,731
2019 total	1,242,980	(2,887,439)	1,685,190	40,731	

3. Funding for the multi academy trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	18,959,614	-	18,959,614	18,454,286
Other DfE Group grants	-	2,403,466	-	2,403,466	1,464,603
Teaching School grants	-	524,306	-	524,306	891,670
	-	21,887,386	-	21,887,386	20,810,559
Other government grants					
Local authority grants	-	797,733	-	797,733	730,732
Other government funding	-	4,912	-	4,912	1,933
Exceptional government funding					
Coronavirus Job Retention Scheme grant	-	18,608	-	18,608	-
Coronavirus exceptional support	-	51,093	-	51,093	-
	-	872,346	-	872,346	732,665
Other income from the academy trust's educational operations	1,067,794	-	-	1,067,794	1,446,810
	1,067,794	872,346	-	1,940,140	2,179,475
	1,067,794	22,759,732	-	23,827,526	22,990,034
2019 total	1,446,810	21,543,224	-	22,990,034	

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2020 (continued)

3. Funding for the Academy Trust's educational operations (continued)

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

- The funding received for coronavirus exceptional support covers £51,093 of transport, catering, cleaning and premises maintenance costs. These costs are included in notes 6 and 7 below as appropriate.
- The academy furloughed some of its catering and wraparound care staff under the government's CJRS. The funding received of £18,608 relates to staff costs in respect of 46 staff which are included within note 8 below as appropriate.

4. Other trading activities

	Unrestricted funds	Restricted funds	2019/20 Total	2018/19 Total
	£	£	£	£
Out of school club	28,048	-	28,048	217,256
Sale of goods and services	47,894	-	47,894	64,058
Music services	36,420	-	36,420	46,740
Lettings	54,898	-	54,898	35,761
Miscellaneous	97,972	-	97,972	140,918
	<u>265,232</u>	<u>-</u>	<u>265,232</u>	<u>504,733</u>
2019 total	<u>504,733</u>		<u>504,733</u>	

5. Investment income

	Unrestricted funds	Restricted funds	2019/20 Total	2018/19 Total
	£	£	£	£
Short term deposits	2,498	-	2,498	8,930
	<u>2,498</u>	<u>-</u>	<u>2,498</u>	<u>8,930</u>
2019 total	<u>8,930</u>	<u>-</u>	<u>8,930</u>	

6. Expenditure

	Staff costs	Non pay expenditure		2019/20 Total	2018/19 Total
	£	Premises £	Other £	£	£
Academy's educational operations					
Direct costs	15,952,285	233,168	1,942,293	18,127,746	17,490,946
Allocated support costs	4,033,045	1,673,729	1,210,512	6,917,286	7,159,765
Teaching school	205,661	-	695,839	901,500	941,429
	<u>20,190,991</u>	<u>1,906,897</u>	<u>3,848,644</u>	<u>25,946,532</u>	<u>25,592,140</u>
2019 total	<u>18,769,400</u>	<u>2,338,428</u>	<u>4,484,312</u>	<u>25,592,140</u>	

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2020 (continued)

6. Expenditure (continued)

Net income/(expenditure) for the period includes :

		2019/20	2018/19
		£	£
Operating leases	- plant and machinery	18,655	27,392
Depreciation		388,974	442,286
Fees payable to auditor	- audit	29,850	29,000
	- other services	6,470	4,900

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2019/20 Total £	2018/19 Total £
Educational operations					
Direct costs	827,011	-	18,202,235	19,029,246	18,432,375
Support costs	1,117,541	1,156,000	4,643,745	6,917,286	7,159,765
	<u>1,944,552</u>	<u>1,156,000</u>	<u>22,845,980</u>	<u>25,946,532</u>	<u>25,592,140</u>
2019 total	<u>1,973,933</u>	<u>878,000</u>	<u>22,740,207</u>	<u>25,592,140</u>	
Analysis of support costs					
Support staff costs	643,790	1,156,000	2,233,255	4,033,045	3,454,042
Depreciation	-	-	155,806	155,806	253,170
Technology costs	-	-	62,887	62,887	48,748
Premises costs	-	-	1,546,475	1,546,475	1,931,492
Other support costs	473,751	-	607,495	1,081,246	1,434,145
Governance costs	-	-	37,827	37,827	38,168
Total support costs	<u>1,117,541</u>	<u>1,156,000</u>	<u>4,643,745</u>	<u>6,917,286</u>	<u>7,159,765</u>
2019 total	<u>987,707</u>	<u>878,000</u>	<u>5,294,058</u>	<u>7,159,765</u>	

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2020 (continued)

8. Staff

a) Staff costs

Staff costs during the year were:

	2019/20 £	2018/19 £
Wages and salaries	14,286,129	13,780,212
Social security costs	1,335,317	1,310,554
Pension costs	4,475,655	3,333,564
	<u>20,097,101</u>	<u>18,424,330</u>
Agency staff costs	81,942	291,169
Staff restructuring costs	11,948	53,901
	<u>20,190,991</u>	<u>18,769,400</u>

	2019/20 £	2018/19 £
Staff restructuring costs comprise :		
Redundancy payments	-	13,766
Severance payments	11,948	40,135
	<u>11,948</u>	<u>53,901</u>

b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £11,948 (2019: £40,135). Individually, the payments were: £8,011 and £3,937.

c) Staff numbers

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

	2019/20 Number	2018/19 Number
Teachers	278	274
Administration and support	421	487
Management	20	18
	<u>719</u>	<u>779</u>

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2020 (continued)

8. Staff (continued)

d) Higher paid staff

	2019/20 Number	2018/19 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	8	7
£70,001 - £80,000	1	3
£80,001 - £90,000	3	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

e) Key management personnel

The key management personnel of the multi academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the multi academy trust was £1,640,203 (2019 : £1,518,557)

9. Central services

The academy trust has provided the following central services to its academies during the year :

Category	Basis
Educational services	Time apportioned on the basis of each staff member's daily salary rate for the number of days assisted.
Management services	Time apportioned on the basis of each staff member's daily salary rate for the number of days assisted.

The actual amounts charged during the year were as follows :

	2019/20 £	2018/19 £
Blessed Mother Teresa's Catholic Primary School	20,880	26,652
Blessed William Howard Catholic High School	136,994	155,112
Painsley Catholic College	195,408	156,350
St Anne's Catholic Primary School	33,552	40,692
St Austin's Catholic Primary School	27,792	38,376
St Dominic's Catholic Primary School	29,232	38,892
St Filumena's Catholic Primary School	29,376	25,874
St Giles' Catholic Primary School	30,528	25,384
St John's Catholic Primary School	-	13,668
St Joseph's Catholic Primary School	26,784	24,403
St Mary's Catholic Academy	27,360	22,564
St Mary's Catholic Primary School	14,688	20,604
St Patrick's Catholic Primary School	29,952	38,904
St Thomas' Catholic Primary School	30,672	27,591
The Faber Catholic Primary School	11,232	8,461
	<u>644,450</u>	<u>663,527</u>

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2020 (continued)

10. Related Party Transactions - Trustees' remuneration and expenses

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

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

Mr S Bell (principal and trustee, resigned 31/1/19)	
Remuneration	£nil (2019 : £55,000 - £60,000)
Employer's pension contributions paid	£nil (2019 : £5,000 - £10,000)

Mrs C Tomlinson (staff trustee, resigned 31/1/19)	
Remuneration	£nil (2019 : £20,000 - £25,000)
Employer's pension contributions paid	£nil (2019 : £0 - £5,000)

Mrs G Wretham (staff trustee, resigned 31/1/19)	
Remuneration	£nil (2019 : £30,000 - £35,000)
Employer's pension contributions paid	£nil (2019 : £5,000 - £10,000)

Mrs S Mills (staff trustee, resigned 31/1/19)	
Remuneration	£nil (2019 : £5,000 - £10,000)
Employer's pension contributions paid	£nil (2019 : £0 - £5,000)

During the year ended 31 August 2020, travel and subsistence expenses totalling £83 (2019 : £918) were reimbursed or paid directly to one (2019 : one) trustee.

Other related party transactions involving the trustees are set out in note 25.

11. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost of £96,658 (2019 : £83,419).

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2020 (continued)

12. Tangible fixed assets

	Assets under construction £	Leasehold land and buildings £	Fixtures and fittings £	Computer hardware £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2019	-	7,886,007	834,670	743,780	42,678	9,507,135
Additions	652,425	-	3,495	12,925	-	668,845
At 31 August 2020	<u>652,425</u>	<u>7,886,007</u>	<u>838,165</u>	<u>756,705</u>	<u>42,678</u>	<u>10,175,980</u>
Depreciation						
At 1 September 2019	-	366,220	513,722	618,657	37,288	1,535,887
Charge for the year	-	165,641	137,285	84,700	1,348	388,974
At 31 August 2020	<u>-</u>	<u>531,861</u>	<u>651,007</u>	<u>703,357</u>	<u>38,636</u>	<u>1,924,861</u>
Net book values						
At 31 August 2020	<u>652,425</u>	<u>7,354,146</u>	<u>187,158</u>	<u>53,348</u>	<u>4,042</u>	<u>8,251,119</u>
At 31 August 2019	<u>-</u>	<u>7,519,787</u>	<u>320,948</u>	<u>125,123</u>	<u>5,390</u>	<u>7,971,248</u>

Assets under construction relate to capital improvements made to Diocesan property held under church supplemental agreements.

Leasehold property was valued at 20/08/13, 01/03/16 and 01/09/17 by The Valuation Office Agency – DVS and the furniture and equipment and computer hardware were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2020 is represented by :

	Assets under construction £	Leasehold land and buildings £	Fixtures and fittings £	Computer hardware £	Motor vehicles £	Total £
Valuation in 2013	-	830,000	-	19,031	10,324	859,355
Valuation in 2016	-	302,000	239,524	102,225	19,166	662,915
Valuation in 2017	-	6,619,000	-	-	-	6,619,000
Cost	652,425	135,007	598,641	635,449	13,188	2,034,710
	<u>652,425</u>	<u>7,886,007</u>	<u>838,165</u>	<u>756,705</u>	<u>42,678</u>	<u>10,175,980</u>

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2020 (continued)

13. Debtors

	2020 £	2019 £
Debtors from operations	61,512	56,640
VAT recoverable	214,896	453,026
Prepayments and accrued income	893,324	307,106
Other debtors	94,080	90,045
	<u>1,263,812</u>	<u>906,817</u>

14. Creditors

	2020 £	2019 £
(a) Amounts falling due within one year :		
Creditors from operations	222,671	399,262
Other taxation and social security	310,573	299,149
Accruals and deferred income	695,039	967,944
Other creditors	722,341	411,988
	<u>1,950,624</u>	<u>2,078,343</u>
Deferred income		
Deferred income at 1 September 2019	428,340	376,956
Resources deferred in the year	432,135	428,340
Amounts released from previous years	(428,340)	(376,956)
Deferred income at 31 August 2020	<u>432,135</u>	<u>428,340</u>

At the balance sheet date the multi academy trust was holding funds received in advance as follows :

Universal infant free school meals funding	200,742	202,538
Transport	83,804	74,140
Trips	81,204	15,203
Maths Hub	-	28,524
ESFA rates award	52,275	51,162
Other	14,110	56,773
	<u>432,135</u>	<u>428,340</u>

Included within other creditors are loans from Staffordshire County Council of £4,035 (2019: £8,441) and loans from the ESFA of £5,508 (2019: £5,506). Details in regards to repayment terms and interest payable are detailed in creditors due after more than one year.

(b) Amounts falling due after more than one year :

Other creditors	<u>33,254</u>	<u>40,775</u>
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Other creditors due after more than one year represent loans from Staffordshire County Council of £nil (2019: £4,035) repayable in yearly instalments and loans from the ESFA of £33,254 (2019: £36,740) repayable in six monthly instalments. None of these loans have any interest to pay. The amount repayable over five years is £11,223 (2019: £14,715).

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Notes to the financial statements for the year ended 31 August 2020 (continued)

15. Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	(8,298)	18,959,614	(18,500,440)	135,394	586,270
Pupil premium	-	780,562	(780,562)	-	-
Teaching school	53,341	524,306	(680,754)	104,586	1,479
Transfer into trust	189,475	-	-	(189,475)	-
Other grants	-	2,495,250	(2,495,250)	-	-
	<u>234,518</u>	<u>22,759,732</u>	<u>(22,457,006)</u>	<u>50,505</u>	<u>587,749</u>
Restricted fixed asset funds					
Transfer on conversion	7,116,640	-	(146,100)	-	6,970,540
DfE Group capital grants	351,473	1,456,965	(143,255)	(52,105)	1,613,078
Capital expenditure from GAG	46,453	-	(5,309)	1,600	42,744
Transfers into trust	456,682	-	(94,310)	-	362,372
	<u>7,971,248</u>	<u>1,456,965</u>	<u>(388,974)</u>	<u>(50,505)</u>	<u>8,988,734</u>
Pension reserve	<u>(10,510,000)</u>	<u>-</u>	<u>(1,156,000)</u>	<u>(484,000)</u>	<u>(12,150,000)</u>
Total restricted funds	<u>(2,304,234)</u>	<u>24,216,697</u>	<u>(24,001,980)</u>	<u>(484,000)</u>	<u>(2,573,517)</u>
Unrestricted funds					
Teaching school	-	220,746	(220,746)	-	-
Transfers into trust	1,027,879	-	-	(1,027,879)	-
Other income	754,798	1,201,071	(1,723,806)	1,027,879	1,259,942
Total unrestricted funds	<u>1,782,677</u>	<u>1,421,817</u>	<u>(1,944,552)</u>	<u>-</u>	<u>1,259,942</u>
Total funds	<u>(521,557)</u>	<u>25,638,514</u>	<u>(25,946,532)</u>	<u>(484,000)</u>	<u>(1,313,575)</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Staffordshire County Council.

Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the multi academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Staffordshire County Council where the asset acquired or created is held for a specific purpose.

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2020 (continued)

15. Funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	18,454,286	(19,262,324)	799,740	(8,298)
Pupil premium	-	700,476	(700,476)	-	-
Teaching school	-	891,670	(838,329)	-	53,341
Transfers into trust	-	20,561	-	168,914	189,475
Other grants	-	1,496,792	(1,496,792)	-	-
	<u>-</u>	<u>21,563,785</u>	<u>(22,297,921)</u>	<u>968,654</u>	<u>234,518</u>
Restricted fixed asset funds					
Transfer on conversion	7,345,362	-	(155,246)	(73,476)	7,116,640
DfE Group capital grants	351,636	943,283	(165,468)	(777,978)	351,473
Capital expenditure from GAG	-	-	(5,261)	51,714	46,453
Transfers into trust	-	741,907	(116,311)	(168,914)	456,682
	<u>7,696,998</u>	<u>1,685,190</u>	<u>(442,286)</u>	<u>(968,654)</u>	<u>7,971,248</u>
Pension reserve	<u>(3,967,000)</u>	<u>(2,908,000)</u>	<u>(878,000)</u>	<u>(2,757,000)</u>	<u>(10,510,000)</u>
Total restricted funds	<u>3,729,998</u>	<u>20,340,975</u>	<u>(23,618,207)</u>	<u>(2,757,000)</u>	<u>(2,304,234)</u>
Unrestricted funds					
Teaching school	-	103,100	(103,100)	-	-
Transfers into trust	-	1,027,879	-	-	1,027,879
Other income	553,157	2,072,474	(1,870,833)	-	754,798
Total unrestricted funds	<u>553,157</u>	<u>3,203,453</u>	<u>(1,973,933)</u>	<u>-</u>	<u>1,782,677</u>
Total funds	<u>4,283,155</u>	<u>23,544,428</u>	<u>(25,592,140)</u>	<u>(2,757,000)</u>	<u>(521,557)</u>

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2020 (continued)

15. Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows :

	2019/20	2018/19
	Total	Total
	£	£
Blessed Mother Teresa's Catholic Primary School	90,786	108,456
Blessed William Howard Catholic High School	324,066	324,066
Painsley Catholic College	155,245	270,776
Painsley Teaching School	1,479	53,341
St Anne's Catholic Primary School	151,794	151,794
St Austin's Catholic Primary School	209,555	209,555
St Dominic's Catholic Primary School	204,349	204,349
St Filumena's Catholic Primary School	69,090	103,019
St Giles' Catholic Primary School	61,497	61,497
St John's Catholic Primary School	(60,000)	(169,611)
St Joseph's Catholic Primary School	189,263	223,268
St Mary's Catholic Academy	14,501	14,501
St Mary's Catholic Primary School	73,316	73,316
St Patrick's Catholic Primary School	355,138	355,138
St Thomas' Catholic Primary School	(8,753)	(5,630)
The Faber Catholic Primary School	16,365	(946)
Trust	-	40,306
Total before fixed assets and pension reserve carried forward	1,847,691	2,017,195
Restricted fixed asset fund	8,988,734	7,971,248
Pension reserve	(12,150,000)	(10,510,000)
Total funds	(1,313,575)	(521,557)

St John's Catholic Primary School is carrying a net deficit of £60,000 on funds before fixed assets and pension reserve because of an inherited deficit. St John's was part of the Holy Trinity Catholic MAC that merged with The Painsley Catholic Academy on 1 September 2018. At that point St John's already had an accumulated deficit of £102,839 on reserves and a deficit was anticipated during 2018/19 and 2019/20.

The trust is taking the following actions to return these funds to surplus : not making any central cost charges, not charging for specialist teachers teaching at the school from our academy's secondary schools and an intense marketing campaign to drive the increase in pupil numbers, which in turn, will increase the income revenue for the school.

St Thomas' Catholic Primary School is carrying a net deficit of £8,753 on funds before fixed assets and pension reserve because of additional capital expenditure during 2017/18.

The trust is taking the following action to return these funds to surplus : setting an in-year revenue surplus budget for 2020/21 which will ensure the carried forward deficit is eradicated.

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2020 (continued)

15. Funds (continued)

Total cost analysis by academy

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

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	2019/20 Total £
Blessed Mother Teresa's Catholic Primary School	667,862	82,350	12,840	158,843	921,895
Blessed William Howard Catholic High School	3,147,501	322,784	104,303	882,821	4,457,409
Painsley Catholic College	5,233,481	2,005,937	106,537	1,194,179	8,540,134
Painsley Teaching School	140,448	65,213	34,657	661,182	901,500
St Anne's Catholic Primary School	653,819	86,497	23,880	208,265	972,461
St Austin's Catholic Primary School	620,193	112,117	26,964	157,033	916,307
St Dominic's Catholic Primary School	580,579	136,803	20,406	179,874	917,662
St Filumena's Catholic Primary School	650,897	155,599	14,877	127,741	949,114
St Giles' Catholic Primary School	629,601	153,483	20,871	151,834	955,789
St John's Catholic Primary School	285,648	32,080	14,540	81,323	413,591
St Joseph's Catholic Primary School	629,562	119,798	10,261	159,619	919,240
St Mary's Catholic Academy	666,637	138,409	20,080	133,506	958,632
St Mary's Catholic Primary School	313,117	124,865	13,240	100,961	552,183
St Patrick's Catholic Primary School	672,838	83,462	24,149	199,347	979,796
St Thomas' Catholic Primary School	649,721	133,134	22,022	155,757	960,634
The Faber Catholic Primary School	274,005	67,130	15,768	72,953	429,856
Trust	276,824	278,597	14,999	240,935	811,355
Academy trust	16,092,733	4,098,258	500,394	4,866,173	25,557,558
2019 total	15,200,744	3,568,656	422,279	5,958,175	25,149,854

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2020 (continued)

16. Analysis of net assets between funds

Fund balances at 31
August 2020 are
represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	8,251,119	8,251,119
Current assets	1,259,942	-	2,571,627	737,615	4,569,184
Current liabilities	-	-	(1,950,624)	-	(1,950,624)
	<u>1,259,942</u>	<u>-</u>	<u>621,003</u>	<u>8,988,734</u>	<u>10,869,679</u>
Creditors due after one year	-	-	(33,254)	-	(33,254)
Pension scheme liability	-	(12,150,000)	-	-	(12,150,000)
Total net assets	<u>1,259,942</u>	<u>(12,150,000)</u>	<u>587,749</u>	<u>8,988,734</u>	<u>(1,313,575)</u>

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

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	7,971,248	7,971,248
Current assets	1,782,677	-	2,353,636	-	4,136,313
Current liabilities	-	-	(2,078,343)	-	(2,078,343)
	<u>1,782,677</u>	<u>-</u>	<u>275,293</u>	<u>7,971,248</u>	<u>10,029,218</u>
Creditors due after one year	-	-	(40,775)	-	(40,775)
Pension scheme liability	-	(10,510,000)	-	-	(10,510,000)
Total net assets	<u>1,782,677</u>	<u>(10,510,000)</u>	<u>234,518</u>	<u>7,971,248</u>	<u>(521,557)</u>

17. Capital commitments

	2020 £	2019 £
Contracted for but not provided in the financial statements	<u>687,000</u>	<u>198,000</u>

18. Commitments under operating leases

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

	Other	
	Total 2020 £	Total 2019 £
Amounts due within one year	88,814	619
Amounts due between one and five years	247,787	52
	<u>336,601</u>	<u>671</u>

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2020 (continued)

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

	2019/20	2018/19
	Total	Total
	£	£
Net expenditure for reporting year (as per the SoFA)	(308,018)	(2,047,712)
Adjusted for :		
Depreciation (note 12)	388,974	442,286
Capital grants from DfE and other capital income	(1,456,965)	(943,283)
Assets transferred in from existing academies	-	(1,790,348)
Interest receivable (note 5)	(2,498)	(8,930)
Defined benefit pension scheme obligations transferred in	-	2,908,000
Defined benefit pension scheme cost less contributions payable (note 24)	958,000	678,000
Defined benefit pension scheme finance cost (note 24)	198,000	200,000
(Increase) / decrease in debtors	(356,995)	56,962
Decrease in creditors	(123,315)	(146,920)
Net cash used in operating activities	(702,817)	(651,945)

20. Cash flows from investing activities

	2019/20	2018/19
	Total	Total
	£	£
Interest received	2,498	8,930
Purchase of tangible fixed assets	(668,845)	(141,751)
Capital grants from DfE Group	1,456,965	943,283
Net cash provided by investing activities	790,618	810,462

21. Cash flows from financing activities

	2019/20	2018/19
	Total	Total
	£	£
Repayment of borrowing	(11,925)	(14,991)
Net cash used in financing activities	(11,925)	(14,991)

22. Analysis of cash and cash equivalents

	At	At
	31 August	31 August
	2020	2019
	£	£
Cash at bank and in hand	3,305,372	3,229,496
	3,305,372	3,229,496

23. Member's 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.

**The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2020 (continued)

24. Pension and similar obligations

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

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

Contributions amounting to £371,384 (2019 : £298,427) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are :

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £2,306,655 (2019 : £1,517,329).

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.

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Notes to the financial statements for the year ended 31 August 2020 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,233,000 (2019 : £1,174,000), of which employer's contributions totalled £994,000 (2019 : £939,000) and employees' contributions totalled £239,000 (2019 : £235,000). The agreed contribution rates for future years are awaiting confirmation from the actuary for employers and between 5.5% and 9.9% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 24 years.

Principal actuarial assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	2.60%	2.70%
Rate of increase for pensions in payment / inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.70%	1.80%
Inflation assumption (CPI)	2.20%	2.30%
Commutation of pensions to lump sums	75.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	CPI rate	In life expectancy
	£'000s	+ 0.5% pa %	+ 0.5% pa %	+ 1 year %
Present value of total obligation	23,490	- 12%	+ 11%	+3% to +5%
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	23,490	- 2,851	+ 2,507	+712 to +1,190

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

	At 31 August 2020	At 31 August 2019
Retiring today		
Males	21.2	21.1
Females	23.6	23.5
Retiring in 20 years		
Males	22.1	22.2
Females	25.0	24.8

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2020 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	31 August 2020	31 August 2019
	£	£
Equities	15,973,000	6,931,000
Bonds	4,698,000	2,242,000
Property	1,879,000	815,000
Cash/liquidity	940,000	204,000
Total market value of assets	23,490,000	10,192,000

The actual return on scheme assets was 0.4% (2019 : 6.3%).

	2019/20 £	2018/19 £
Amount recognised in the statement of financial activities		
Current and past service cost	1,952,000	1,617,000
Net interest cost	198,000	200,000
Total amount recognised in the SOFA	2,150,000	1,817,000

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

	2019/20 £	2018/19 £
At 1 September 2019	20,702,000	9,672,000
Business combinations and disposals	-	5,773,000
Current and past service cost	1,952,000	1,617,000
Interest cost	391,000	454,000
Employee contributions	239,000	235,000
Actuarial gain/(loss)	795,000	4,237,000
Benefits paid	(201,000)	(123,000)
Changes in demographic assumptions	(388,000)	(1,163,000)
At 31 August 2020	23,490,000	20,702,000

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

	2019/20 £	2018/19 £
At 1 September 2019	10,192,000	5,705,000
Business combinations	-	2,865,000
Interest income	193,000	254,000
Actuarial gains/(losses)	(77,000)	317,000
Employer contributions	994,000	939,000
Employee contributions	239,000	235,000
Benefits paid	(201,000)	(123,000)
At 31 August 2020	11,340,000	10,192,000

Net pension scheme liability	(12,150,000)	(10,510,000)
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**The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2020 (continued)

25. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transaction(s) took place during the previous year:

Expenditure related party transaction

E S Wilks & Sons Ltd (t/a Homepoint)

A company in which Mr P Wilks (trustee until 31/1/19)
has a direct interest

	2020 £	2019 £
Goods purchased from related company during the period	-	602

The prior year services were provided at no more than cost and Mr P Wilks provided a statement of assurance to confirm this.

In entering into the prior year transactions the trust complied with the requirements of the applicable Academies Financial Handbook.

26. Agency arrangements

The multi academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust received £20,383 (2019 : £20,727) and disbursed £11,769 (2019 : £11,816) from the fund. An amount of £20,951 (2019 : £12,337) is included in other creditors relating to undistributed funds that is repayable to ESFA.

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2020 (continued)

27. Teaching school trading account

		2019/20	2018/19
		£	£
Income			
Direct income			
NCTL income		524,306	891,670
Other income			
Miscellaneous		220,746	103,100
		<u>745,052</u>	<u>994,770</u>
Expenditure			
Direct costs			
Direct staff costs	140,448	228,475	
Educational supplies	34,657	-	
Other direct costs	<u>11,413</u>	<u>85,566</u>	
		186,518	314,041
Other costs			
Support staff costs	65,213	114,614	
Professional	642,139	-	
Other support costs	<u>7,630</u>	<u>512,774</u>	
		714,982	627,388
Total expenditure		<u>901,500</u>	<u>941,429</u>
Transfers between funds excluding depreciation		104,586	-
Surplus/(deficit) from all sources		<u>(51,862)</u>	<u>53,341</u>
Teaching school balances at 1 September 2019		53,341	-
Teaching school balances at 31 August 2020		<u>1,479</u>	<u>53,341</u>