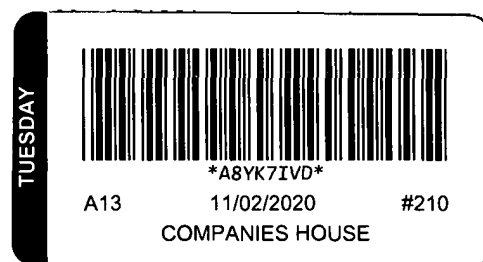


NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019



Nicholas Postgate Catholic Academy Trust

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Nicholas Postgate Catholic Academy Trust

Reference and Administrative Details

Members
G Robinson
G Dasey
K Duffy
N Mack
T P Draine

Trustees (Directors)
J W Brown
K Duffy
H M Hegarty
J Hughes (Chair)
N Mack
M McCullagh
Rev D L Turnham
J A Walton
J Wilson

Company Secretary Prima Secretary Limited

Senior Management Team
A Toward, Head Teacher
S Geaves, Head Teacher
C Ruddy, Head Teacher
J O'Boyle, Standards Officer
K Sill, Head Teacher
E King, Head Teacher
C Baker, Head Teacher
J Apolloni, Head Teacher
M Macaulay, Head Teacher
C L Stott, Head Teacher
P Gair, Head Teacher
M Brown, Head Teacher
Z Hammond, Head Teacher
N Jamalizadeh, Senior Standards Officer
P Strudwick, Head Teacher
J Granycome, Acting Head Teacher
M J Ryan, Executive Head Teacher
L Dwyer, Head Teacher
J Farquhar, Chief Operating Officer
A White, Senior Standards Officer
H Hegarty, Chief Executive Officer
L Marron, Head of Finance
K Clarke, Head of HR
C Walker, Executive Head Teacher
A McCann, Head Teacher
L Eddies, Head Teacher
J Wilson, Head Teacher
C McNicholas, Head Teacher
L Phelps, Head Teacher
J Bowen, Head Teacher
P Conway, Head Teacher

Nicholas Postgate Catholic Academy Trust

Reference and Administrative Details (continued)

Principal and Registered Office	Trinity Catholic College Saltersgill Avenue Middlesbrough TS4 3JW
Company Name	Nicholas Postgate Catholic Academy Trust
Company Registration Number	09203984
Auditors	MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank plc 83-85 Linthorpe Road Middlesbrough TS1 5BU
Solicitors	Womble Bond Dickinson (UK) LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 2HF

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2019

The Trustees, also referred to as the Company's Directors, present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' (or Members) report, and a Trustees' report under company law.

Following a review of educational structures in the northern part of the Diocese of Middlesbrough, on 1 September 2018 three existing multi-academy Trusts and one maintained local authority school were merged into the Nicholas Postgate Academy Trust of five schools to form the new The Nicholas Postgate Catholic Academy Trust.

At its inception the Trust operated 21 primary academy schools and 4 secondary academy schools for pupils aged 3 to 19 across Middlesbrough, Stockton and Redcar & Cleveland, including all Catholic Diocesan schools in these catchment areas. Following the approval by the Regional Schools Commissioner during 2018/19 of the Trust as a primary sponsor our twenty-sixth school, All Saints RC Primary School in Thirsk in North Yorkshire, joined the Trust on 1 June 2019.

One of our primary schools is also a designated teaching school. The Trust has a pupil capacity, including nursery provision and sixth form, of 8,745 (including sixth form places) and had a roll of 8,488 in the school census in October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Nicholas Postgate Catholic Academy Trust are also the Trustees of the charitable company for the purposes of company law. The charitable company is known as Nicholas Postgate Catholic Academy Trust.

Details of the Trustees who served during the period 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 period 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.

Members' Indemnities

24 of the 26 schools within the Trust are members of the government's Risk Protection Arrangement (RPA) scheme which includes protection for Trustees from claims arising from negligent acts, errors or omissions occurring whilst undertaking trust business.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed in relation to the type of trusteeship held and as follows:

- Under Article 50 the Diocesan Bishop shall appoint such number of Foundation Trustees to ensure that at all times the number of Foundation Trustees exceeds the other Trustees (including any Co-opted Trustees) by at least two.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2019 (continued)

- Subject to Article 50 the Trustees shall appoint the Chief Executive Officer (CEO) to be a Trustee providing that the total number of Trustees who are employees does not exceed one third of the total number of Trustees

In any circumstances where the Secretary of State for Education is entitled to serve a warning notice under the relevant funding agreement, or in the opinion of the Diocesan Bishop standards or the Catholic Life of the school have fallen unacceptably low, then the

- Diocesan Bishop may stipulate that the Diocesan Director of Schools shall be appointed as a Trustee, for the term as the Diocesan Bishop shall provide. The current Diocesan Director of Schools has been appointed as a Trustee in this initial period of the Trust's formation and development.

The term of office for any Trustee shall be 4 years or a shorter period if specified at the time of appointment by the person or body appointing. This time limit does not apply to the Co-opted Trustees or any post which is held ex-officio. Co-opted Trustees are appointed for a period of one year. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees depends on their existing experience and an analysis of their own respective skills. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and any other documents as required to undertake their role as Trustees.

The Company has appointed an in-house governance team with external strategic support in addition from Avec Partnership. During 2018/19 the Trust has adopted a Code of Conduct to support the development of Trustees and part of the external support from AVEC was focused around delivering Trustees with a deep understanding of the Trust's Scheme of Delegation and their responsibilities within it. Specific CPD has also been made available in respect of understanding the role of a Trustee in a charity and compliance with the Academies Financial Handbook.

Organisational Structure

The Trust comprises 22 primary schools and 4 secondary schools, one with 6th form provision. The Trust's Board is responsible for the strategic direction of the Trust and has overall responsibility for academic standards, financial management, assets and other resources of the Trust. The Board is supported by two committees which are:

- Catholic Life & Standards
- Finance & Resources (including the functions performed by an Audit Committee)

The Trust is the admissions authority and employer for all schools. Strategic leadership is provided by the Trusts' Executive Leadership Team, supported by individual head teachers. The Accounting Officer is the Chief Executive Officer of the Trust, Mr Hugh Hegarty.

Delegated authority and powers of decision making in relation to the Board and its committees, including each school's own Local Governing Body, are defined in the Trust's Scheme of Delegation which was approved by Trustees at its Shadow Board meeting on 16th July 2018. The Scheme of Delegation determines what responsibility resides at both individual school and Trust level and has been reviewed continuously during our first year of operating.

The Trust has employed standards leads for primary, secondary and behaviour and welfare who provide support to all of the Trust's schools based on a detailed risk assessment model set out in the Trust's School Improvement Framework.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2019 (continued)

All school teaching and teaching support staffing appointments are made at a Local Governing Body level with the exception of reserved posts, including both Heads and Deputy Head Teachers, which are appointed by a panel established by the Trustees and with an advisory role played by the Diocesan Schools Service.

Following the formation of the Trust a full review of administrative structures was undertaken during 2018/19 with a greater centralisation of systems and procedures for key functions as follows:

- Standardisation of school structures and roles at a local level
- Fully centralised financial management and reporting structure
- Development of centralised HR support
- Internalised ICT service
- Internalised Attendance service
- Development of the standardisation of Estates Management and compliance functions

The Trust operates a single bank account and accounting systems and has one set of standardised Financial Regulations and Procedures across all of its schools.

During 2018/19 the Trust has developed a number of centrally approved policies covering all of the statutory areas, ensuring they comply with guidance from both the DfE, the Catholic Education Service and Middlesbrough Diocesan protocols.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Key management personnel defines those persons of the Trust having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly and including all Trustees. Trustees who are not employees of the Trust receive no remuneration for the roles they undertake. The Trust's key management personnel are therefore defined to be the members of the Trust's Executive Leadership Team and the Head Teachers of individual schools within the Trust.

Trust based executive posts, including the Chief Executive Officer, have their pay set in line with the Trust's Executive Pay and Appraisal Policy with progression based on a recommendation to the Trust's Finance & Resources Committee. For the positions of Chief Executive Officer and Chief Operating Officer external independent input is obtained to support any progression decisions by the Trust.

Head Teachers have their pay set in line with the Trust's Pay Policy which is reviewed annually and set in accordance with the School Teacher's Pay and Conditions Guidance. A recommendation is made from the Office of the Chief Executive, through the work of the Senior Standards Officers, for consideration by the Trust's Finance & Resources Committee in respect of pay progression for each respective Head Teacher.

In the case of an appeal by any of the Trust's key management personnel a separate panel of Trustees who are not members of the Finance & Resources Committee would be convened.

Head Teachers organise the performance management arrangements for all staff within each school and the objectives of staff are layered to reflect key priorities for the period both at a school and Trust level. This ensures performance of staff is linked to improvements identified by the Trust's Standards team and Head Teachers collectively and are in support of the Trust's overall vision and strategic priorities.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2019 (continued)

Related Parties and Other Connected Charities and Organisations

The Trust is part of the Diocese of Middlesbrough and works alongside the Diocesan Education Office and is developing close links with the other 2 Trusts that are part of the Diocese of Middlesbrough. The Trust has no connected organisations but does work with local charities in pursuit of the activities defined by the objects of the Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

In advance of 2018/19 the Trust agreed 5 key strategic objectives to steer our development over the next 3 years. These were underpinned by key developmental areas linked to each objective as follows:

1. To promote the values of Catholic Education, by:

- all schools will be guided and driven by a clearly communicated mission that embraces a Catholic identity rooted in Gospel values, centred on the Eucharist, and committed to faith formation, academic excellence and service.
- ensuring all schools have meaningful engagement in the life of the Parish and that pupils have access to regular acts of collective worship.
- the Trust providing spiritual and catechetical opportunities for teachers to increase their knowledge and understanding of the Catholic faith and to be witnesses of the faith for their students.
- the Trust recruiting, retaining and motivating highly qualified teachers who model the integration of faith and daily living.
- the Trust working with school leaders to identify, train and mentor potential Catholic school Deputy and Head Teachers.

2. To build a strong infrastructure in the Trust – having the capacity to fulfil all mandatory obligations and lead all schools effectively and efficiently, by:

- having a clear vision and ethos.
- ensuring compliance with statutory regulations.
- being a Trust that provides robust leadership able to make improvements at apace.
- providing a strong strategic direction.
- supporting the drive for outstanding schools in order to raise the standards of educational attainment across the system.
- managing the deployment of finance and resources in an effective and efficient manner.

3. To enhance leadership - providing outstanding governance and executive leadership with clear succession planning, by:

- strengthening professional leadership by appointing outstanding leaders appropriate to the challenge.
- holding school leaders and governors accountable for high standards of education and safeguarding against clear benchmarks and performance measures.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2019 (continued)

- ensuring that resources, within a constrained financial environment, are used in the most effective way.
- ensuring that the Board of Trustees acts in the best interests of the Trust, governing in accordance with its articles of association, the scheme of delegation and having governance arrangements that demonstrate visionary leadership, clarity of relationships, effective oversight and sustainability, whilst achieving the greatest possible economies.
- developing future leaders and effective succession planning for all the Trust's schools.

4. To raise attainment and progress across the Trust - Ensuring all schools deliver valid and consistency in assessment approaches allied to effective and ongoing tracking and appropriate interventions to afford our pupils to maximise their levels of achievement, by:

- all Secondary Schools will have individual action plans in place that will enhance the capacity of pupils to meet and exceed national standards for Progress 8 and for Attainment 8.
- all Primary Schools will enhance pupils' capacity to meet and exceed national standards.
- pupil premium funding will be used to have the greatest impact through a series of intervention strategies in order to close the gap between disadvantaged children and young people and others in all our schools.
- ensuring that vulnerable groups and those at risk of underachieving make good or better progress as appropriate.
- ensuring our sixth form provision within the Trust offers our young people the opportunity to access an enhanced breadth of study courses.

5. To develop educational standards - increasing the quality of provision from all our schools, by:

- ensuring that our schools provide the very best teaching to promote high-quality learning for our children and young people, and to enable teachers to make a real difference for our pupils.
- ensuring that all schools improve their Ofsted grading if they were requiring improvement or in special measures on formation of the Trust; or maintaining their grading if good or outstanding on joining.
- working towards all schools in the Trust being at national average or above in terms of their attainment and progress.
- implementing a CPD programme to ensure that our staff have the right skills to raise standards further, deliver good teaching and learning, and disseminate best practice to ensure rapid improvement.
- ensuring that there is a rigorous and robust programme of quality assurance that helps to support staff, build expertise and capacity, and raise standards to deliver positive outcomes for pupils.

In accordance with the Articles of Association the Trust has adopted a "Scheme of Delegation" which specifies, amongst other things, composition and appointment to Local Governing Bodies and the functions delegated to these bodies.

Each academy has its own development plan and this, together with the Trust's Medium Term Financial Strategy, links into the Trust's overall Strategic Plan. The Trust is committed to developing Trust wide policies and procedures where appropriate to do so and uses the Catholic Education Services' HR documentation for contracts of employment.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2019 (continued)

The Trust's Executive Leadership Team meets fortnightly and reviews progress against the Strategic Plan. The Head Teacher Forum meets every month to discuss ongoing operational and strategic matters that support the objectives in the Trust's Strategic Plan, with reports on academic performance and the financial position of the Trust being reported to the Trust's Board and its sub-committees.

Public Benefit

The Trust's aims and achievements are set out within this report and have been undertaken to further the charitable purposes for the public benefit, including the provision of state funded education. The Trustees have complied with the duty under section 4 of the Charities Act 2011, to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. The Trustees have considered this guidance in deciding what activities the Trust should undertake and consider its aims are demonstrably for the public benefit. Individual schools within the Trust contribute directly to their own community through initiatives such as the letting out of premises to community groups and working within their local parishes to develop community involvement in each academy and the church.

STRATEGIC REPORT

Achievements and Performance

The key achievements against the Trust's stated objectives during 2018/19 include:

- With the formation of Trust in September 2018, the work which preceded this date by the Interim Board and CEO in respect of the development of the Articles of Association and the provision of a sound Scheme of Delegation required to be swiftly built on to allow Governors, Head teachers and Parents to understand the reporting responsibilities and areas of accountability within our newly formed Trust. The necessary support structures and CPD enabled all stakeholders to have a clear understanding of the provisions of the Scheme of Delegation.
- The provisions of the Trust's School Improvement Framework set out the expectations for all schools with the identification of tier placement being integral to the Trust's School Improvement Strategy. The Trust agreed a 4 tier identification programme with all schools working toward a Tier 1 placement. The development of the Central Services structure and ensure the staffing model is has been a significant strength of the Trust in our first year.
- The necessary financial controls to ensure the Trust maintains financial sustainability are critical and within a very short period of time the Trust secured the personnel to deliver centralised budgeting procedures and a clear procurement strategy which delivered significant efficiencies in our first year.
- The Trust recognised that effective organisational communication gives students and staff from across the Trust, the tools to communicate both within and beyond the Trust. The Trust has developed a virtual learning platform and common websites for all schools as a platform to service the needs of all students, parents, staff, governors and Board.
- Statutory provision of policies ensured the Trust met this DfE requirement within acceptable time limits. The Trust is fully compliant with all DfE guidance on requisite policies.
- As a Trust we recognised the need to have a robust self-evaluation framework. Through our self-evaluation framework the Trust systematically analyses the performance of all sectors of the organisation with the singular aim of improving performance.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2019 (continued)

- The Trust has a responsibility to ensure all students within 26 schools have access to opportunities to maximise their full potential. The Trust strives to create sustainable improvements in attainment through improved teaching and learning. This objective cannot be achieved without effective and embedded processes across all 26 schools. From
- September 2018 we have identified current strengths and key areas for improvement at nursery, primary, secondary and sixth form provision within the Trust. It is essential that this Trust wide approach raises wellbeing and builds those skills better to allow students to overcome diversity and develop a positive and growth mind-set in Teachers, Students and Support Staff.

- The Trust has a clear vision that leadership across the Trust displays courage, passion, emotional, intelligence, resistance and sound judgement. At all levels from Trustees, Governors, Central Services' Officers and School Leaders. The Trust has consistent high expectations and we are ambitious for the success for all of our students. We require all
- leaders to constantly demonstrate that disadvantage must not be a barrier to achievement. As a Trust we focus relentlessly on improving teaching and learning with targeted CPD for all staff and have identified the need to cultivate a range of partnerships and have effective communication with parent's businesses, the wider educational community and parishes across the Diocese.

- The Trust, under the auspices of the Catholic Diocese of Middlesbrough is embracing the understanding that parents are the principle and first educators of their children. One of the many reasons our Catholic schools exist is to help parents fulfil their duty and privilege of providing quality education to their children. We want to ensure that Catholic parents have the best opportunity to enable their children to grow to responsible adulthood, deeply rooted and fully mature in Catholic care and faith. The Trust aims for all 26 schools to be outstanding Catholic schools by way of readiness to promote understanding of a commitment to the fullness of Catholic life and sacramental life in the secular world.
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Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2019 (continued)

Key Performance Indicators

The tables below highlight the key performance indicators for teaching and learning for each academy within the Trust during 2018/19:

Primary Schools	Current Ofsted Rating	S.48 Rating	Attendance (%)	KS2 READING, WRITING & MATHS COMBINED EXS+ (%)	KS2 SPaG EXS+ (%)
All Saints	Inadequate	Requires Improvement	94.8	40	100
Christ the King	Good	Outstanding	95	81	91.5
Corpus Christi	Good	Good	93.5	52	58.6
Sacred Heart	Good	Good	94	69	75
St. Alphonsus'	Good	Good	96.2	42	64
St. Augustine's	Good	Outstanding	95.8	89	100
St. Bede's	Requires Improvement	Outstanding	96.2	59	82.8
St. Benedict's	Good	Outstanding	95.2	84	87.3
St. Bernadette's	Good	Outstanding	96.6	82	96.4
St. Clare's	Outstanding	Outstanding	95.6	79	93.1
St. Edward's	Outstanding	Outstanding	95.7	96	100

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2019 (continued)

Primary Schools	Current Ofsted Rating	S:48 Rating	Attendance (%)	KS2 READING, WRITING & MATHS COMBINED EXS+ (%)	KS2 SPaG EXS+ (%)
St. Gabriel's	Good	Outstanding	94.2	30	60
St. Gerard's	Good	Good	94.7	62	76.2
St. Joseph's, Middlesbrough	Good	Outstanding	94.1	73	87.8
St. Joseph's, Loftus	Outstanding	Good	95.3	72	100
St. Margaret Clitherow	Good	Outstanding	93	72	87.5
St. Mary's	Outstanding	Good	93.6	86	96.4
St. Patrick's	Outstanding	Outstanding	95.9	72	87.7
St. Paulinus	Good	Good	95.5	100	100
St. Pius X	Good	Outstanding	93	57	65.2
St. Therese of Lisieux	Outstanding	Outstanding	97.2	90	96.7
St. Thomas More	Good	Good	92.9	81	93.8

Key

SPaG – Spelling, Punctuation & Grammar

EXS+ - Pupils working at the expected standard or above

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2019 (continued)

Trinity Catholic College & Sixth Form	
OFSTED rating	Requires Improvement
S.48 rating	Good
Attainment 4+ English & Maths	58.5%
Attainment 5+ English & Maths	35.4%
Attainment EBacc	11.8%
Progress 8	-0.68
Attendance	86.4
A Level – Average point score per entry	29.70
Average point score per entry expressed as a grade	C
A Level – % A-C Grades	68%
Sacred Heart	
OFSTED rating	Requires Improvement
S.48 rating	Outstanding
Attainment 4+ English & Maths	59.7%
Attainment 5+ English & Maths	38.3%
Attainment EBacc	25.5%
Progress 8	-0.81
Attendance	90.6
St. Patrick's Catholic College	
OFSTED rating	Inadequate
S.48 rating	Outstanding
Attainment 4+ English & Maths	52%
Attainment 5+ English & Maths	28%
Attainment EBacc	10%
Progress 8	-0.79
Attendance	87.4
St. Peter's Catholic College	
OFSTED rating	Requires Improvement
S.48 rating	Outstanding
Attainment 4+ English & Maths	59.4%
Attainment 5+ English & Maths	32.3%
Attainment EBacc	12.5%
Progress 8	-0.53
Attendance	90.4

Going Concern

After making appropriate enquiries, the board of trustees have 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 can be found in the Accounting Policies.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2019 (continued)

FINANCIAL REVIEW

The majority of the Trusts' income for the period of account is obtained from either the ESFA (Education & Skills Funding Agency) or Local Authorities as commissioners of pupil places, the use of which is restricted to particular purposes. The grants and funding received from these bodies for the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ending 31 August 2019 total expenditure of £50,174,000 (excluding net inherited liabilities) was more than covered by grant funding from the ESFA and commissioned place income from Local Authorities together with other incoming resources. The excess of income over expenditure for the period (excluding inherited assets and liabilities, restricted fixed asset funds and before pension transfer) was £3,528,000. The actual outturn position reported in the management accounts for the period, excluding transfers between funds and depreciation, was a deficit of £2,430,000.

At 31 August 2019 the net book value of fixed assets was £8,217,000. The assets were used exclusively for providing education and associated support to the pupils in the schools within the Trust.

The Trust occupies land, including buildings, which are owned by its Members; the Diocese of Middlesbrough. The Members are the providers of the schools on the same basis as when they were maintained schools. The Trust therefore occupies the land and buildings under a licence. The continuing permission of the Members is pursuant to, and subject to, the Members' charitable objectives and is part of the Catholic Church's contribution since 1847 to provide state funded education in partnership with the state. The licence delegates aspects of the management of the land and buildings to the Trust, but does not vest any rights over in the land in the Trust. The Members have given an undertaking to the Secretary of State for Education that they will not give the Trust less than two years notice to terminate the occupation of the land and buildings. Having therefore considered the basis of which the Trust is occupying the land and buildings the Trustees have concluded that the value of these land and buildings will not be recognised on the Trust's balance sheet.

Six of the schools within the Trust have loan balances owing to the Diocese of Middlesbrough. These liabilities were entered into prior to the incorporation of the Trust as local authority maintained schools and were for the purpose of capital investment in the condition of the assets. The total principal outstanding on these loans as at 31 August 2019 was £298,000. In addition Trinity Catholic College received a loan of £553,000 during 2015/16 to repay its deficit on conversion to an academy to the Local Authority. This loan is to be repaid over 3 years commencing in 2016/17 by means of an abatement to the Academy's recurrent ESFA grant income.

Under accounting standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted Fund. This resulted in the pension fund showing a deficit of £14,478,000 which has been carried forward to 2019/20. It should be noted that this does not present a liquidity problem for the Trust and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future periods.

Reserves Policy

The Trust holds both restricted and restricted funds which are detailed in the financial statements. Unrestricted funds are held:

- To provide funds which can be designated to specific areas to meet the wider charitable objectives of the Trust

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2019 (continued)

- To cover ongoing costs in relation to the running of the Trust's schools

The level of reserves was reviewed by the Trustees regularly throughout the period and the minimum level of reserves for the ongoing needs of the academy is reviewed by Trustees on at least an annual basis and is set out in the Trust's Financial Reserves Policy. This review encompasses the nature of income and expenditure streams, the need to match income with spending commitments and the nature of the reserves held. In reviewing the sufficient level of reserves required during 2018/19 the Trustees decided to use the recommended measure from the DfE based on an amount equivalent to one month's worth of salary expenditure. This was considered sufficient to mitigate financial management risks such as a falling roll and capital investment requirements. The overall minimum level on this basis has therefore been set at £2.85m.

The Trust returned an in year deficit of £2,430,000, which resulted in closing revenue reserves totalling £4,914,000 (comprising £4,000 of restricted reserves (excluding pension and fixed assets) and £4,910,000 of "free" or unrestricted reserves) and are therefore considered more than sufficient for the ongoing needs of the Trust.

The importance of reserves is recognised for the sustainability of the Trust's operations and its capacity to deal with unforeseen events. Ongoing reviews of the strategic risks that the Trust faces will help in informing the level of reserves required going forward.

Funds are accounted for centrally and managed by the Trust's Directors for the benefit of all schools within the Trust and in line with the Trust's Policy on Financial Reserves. This allows for the Trust to support individual schools and wider overarching strategic priorities by deploying funds in a flexible manner based on an ongoing assessment of needs and risks.

Investment Policy

The Trust has a Treasury Management and Investment Policy which allows for the investment of surplus funds in term deposits with the Trust's banker or with another UK institution regulated by the Financial Conduct Authority or the Prudential Regulation Authority. The Board reviewed this policy during 2018/19 taking a prudent view that investments would be placed only with the Trust's current banker (or with another UK institution regulated by the Financial Conduct Authority or the Prudential Regulation Authority and with a credit rating of at least equal to the Trust's banker) and for a period of no longer than 12 months dependent on cash flow projections and likely levels of reserves. This has generated an additional income stream, while allowing the Trust to be mindful of both liquidity and counter party risks.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Trust are recorded and monitored on an operational basis in each school's operational risk register which link into the Trust's overall strategic risk register. A further in depth risk assessment is undertaken as part of the Trust's tier placement system under its School Improvement Framework. This work is overseen by the Trustees in line with the Trust's Risk Management Policy.

Principal financial risks are centred on changes in the level of funding from the ESFA, the need for significant capital investment in the Trust's estate and the continued membership of the Local Government Pension Scheme which results in the recognition of a significant deficit on the Trust's balance sheet. Trustees have implemented a number of controls to ensure financial risks are well managed including the provision of insurance cover where residual risks remain.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2019 (continued)

The principal non-financial risks that the Trust faces are focused around ensuring effective governance and leadership to drive up and maintain academic standards, managing attendance and behaviour of pupils and ensuring that safeguarding systems for the protection and well-being of the Trust's pupils are continuously effective.

Trustees have implemented a number of systems to assess and manage risks particularly in operational areas and these include the use of external health and safety consultants, robust safeguarding policies and procedures and ongoing CPD and training for all employees.

In addition the Trust has fully implemented the requirements of the Safer Recruitment procedures and all relevant staff have received training in this area.

PLANS FOR FUTURE PERIODS

The Trust has updated its Strategic Plan for 2019/20 to enable the successes of 2018/19 to be taken forward and built on significantly. Key areas of focus for the forthcoming year are as follows:-

- To develop and implement a Trust wide chaplaincy and parish engagement strategy
- Ensuring rapid improvement in our secondary schools and sixth form through a review of current structures, catholic life provision, ensuring a consistent approach to pupil tracking systems, curriculum re-design and a strong focus on student behaviour
- Ensure all of our pupils receive extra-curricular opportunities through the development of a Trust wide Sports Partnership and Student Enrichment programme
- Ensuing targeted support on key areas of primary provision specifically through a focus on improving outcomes in EYFS and phonics, curriculum design and the transition journey to secondary education
- Undertaking a review of SEND provision and pupil and sports premium expenditure to ensure all areas are making the maximum impact on student outcomes and development
- To monitor and review the impact of the Trust's Attendance Strategy following its implementation in 2018/19
- Implementation of a single HR and performance management system across the Trust to support staff development and targeted CPD
- Development and implementation of a Trust wide recruitment and retention strategy to ensure we attract and keep the very best employees
- A continued focus on ensuring engagement with pupils, parents, staff, governors and other stakeholders is both timely and effective through a clear communications strategy
- To further develop our virtual learning platforms for each key subject area and for the engagement and sharing of information with pupils, parents and governors
- To develop and implement a Trust wide careers guidance strategy
- To assess the implementation of the administrative support and internalised ICT provision, ensuring effective service delivery and VFM
- Undertake a Trust wide review of estates and facilities management, linked to the implementation of our compliance system to ensure VFM and premises that are safe and enriching for all
- Continue with strong and effective financial management and the next phase of our Trust wide procurement strategy to deliver higher quality services at a reduced or comparable cost

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2019 (continued)

FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS

There are no funds held as Custodian Trustee on behalf of others.

On 18th September 2018 the Trust agreed its Equality Statement and Objectives in order to discharge its responsibilities under the Equality Act 2010 and to meet the Public Sector Equality Duty. The sets out our Trust's commitment to ban unfair treatment and achieve equal opportunities in the classroom, the workplace and in wider society and to embed equality considerations in day to day practice.

The duty to have "due regard" to equality considerations means that whenever significant decisions are being made or policies developed, thought will be given to the equality implications. Our policy sets out that as an employer, "the Trust will not discriminate against a potential employee in respect of whether to offer a job or the terms on which a position is offered and must not discriminate against an existing employee in respect of the benefits, facilities and services offered to employees, including training opportunities, promotion or dismissal".

All our schools are required to prepare and publish specific and measurable objectives to demonstrate how the Trust's Equality Objectives are being met. This includes the objective to continue to address workforce-based equality issues by conforming to agreed Human Resource procedures on appointments, promotions and other employment issues, but always appointing the best candidate.

During 2018/19 the Trust has engaged with its employees through a broad variety of mechanisms to ensure they are fully aware and consulted on any matters affecting them. While the Trust does not yet have a formal recognition agreement in place with the respective trade unions a framework for consultation and discussion has been established with a positive working relationship maintained during the year, which has included issues raised directly by our employees.

The development of common websites and e-mail platforms during 2018/19 has greatly enhanced our ability to communicate on a timely basis. This has been supported by regular newsletters and the effective use of social media platforms throughout the year.

The Trust communicates key decisions immediately after each Board meeting via the Head Teacher and Trust Business Manager forums which allows for updates to staff via each academy's regular leadership team meetings. Each Local Governing Body also communicates a summary sheet of "key issues" they wish the Trust to be aware of following each meeting. Moving into future periods and new arrangements the Trust will explore additional ways of communicating with its employees and look to establish a regular Trust wide staff newsletter to provide an additional source of information on important issues and developments.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the trustees are aware:

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

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2019 (continued)

Auditor

In so far as the trustees are aware:

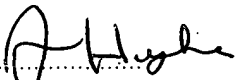
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Reappointment of auditor

During the year, Clive Owen LLP resigned as auditors and MHA Tait Walker were appointed through a formal tendering process.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees Report , incorporating a Strategic Report, was approved by order of the members of the Board of Directors on ~~17.12.19~~ and signed on its behalf by:



J Hughes (Chair)
Trustee

Nicholas Postgate Catholic Academy Trust

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Nicholas Postgate Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
Joseph Hughes	8	8
Canon Derek Turnham	7	8
Hugh Hegarty	8	8
James Brown	4	8
John Walton	7	8
Josephine Wilson	4	8
Kevin Duffy	5	8
Maureen McCullagh	8	8
Nicholas Mack	4	8

The Finance and Resources Committee is one of the two sub-committees of the Board of Trustees and its purpose is to support the main board in ensuring strong financial and risk management systems operate across the Trust and also have oversight of health and safety issues. This committee also acts as the Trust's audit committee and its remit includes:

- Overseeing compliance with the Academies Financial Handbook;
- Reviewing and monitoring budgets and the Trust's Medium Term Financial Strategy;
- Consideration of capital investment priorities;
- Reviewing the financial policies of the Trust;
- Overseeing the effective implementation of any audit recommendations;
- Reviewing insurance cover; and
- Ensuring the Trust achieves value for money and demonstrates regularity and propriety.

Nicholas Postgate Catholic Academy Trust

Governance Statement (continued)

In this accounting period the Finance and Resources Committee has met seven times and monitored the financial position of the Trust, received assurance reports from the Trust's internal assurance provider, reviewed annual budgets and recommended these to the Board, overseen the awarding of any contracts with a value greater than £75,000 and reviewed the first iterations of the Trust's strategic risk register. The Trust's Accounting Officer, Chief Operating Officer and Head of Finance attend all meetings and in addition Mr John Walton, Trustee, is a chartered accountant.

Trustee	Meetings attended	Out of a possible
Joseph Hughes	7	7
Hugh Hegarty	7	7
James Brown	6	7
John Walton	7	7
Nicholas Mack	6	7

Trustees have reviewed the effectiveness of the Trust's governance arrangements for 2018/19 through a comprehensive approach and evaluation, which has included:

- Undertaking a self-review based on the All Party Parliamentary Group for Education Governance & Leadership's "21 questions for a MAT's Board"
- Volunteering to extend the remit of the One North East's Vision external review of governance at Trinity Catholic College to include the Trust's Board
- Reviewing outcomes from self-reviews undertaken at the LGB level to identify common themes and potential areas for development.

Reflecting on 2018/19 the Board are positive about the work undertaken to date in relation to the development of the trust's governance arrangements believing there is a clear shared long term vision in place for the Trust, with structures that meet compliance and regulatory requirements, effective clerking to the Board and with Trustees feeling secure in being able to articulate their own contribution into the progress made since September 2018.

Trustees recognise the significant input and contribution from the Trust's local governors during what has been a year of significant changes in responsibilities based on the Trust's updated Scheme of Delegation.

Key developments have been made during the year on monitoring performance data on academic attainment and progress and in addition the Trust's Finance & Resources committee receives quarterly budget monitoring reports with key variances to budget highlighted and financial benchmarking data across a number of key indicators for all 26 schools. This allows comparisons on staffing costs and value for money to be evaluated. This information is also shared with all Trustees on a monthly basis.

As a result of this comprehensive approach the Board is satisfied in respect of the quality of performance information that it receives and is confident that it allows timely interventions across all of operations where required.

Areas that have been identified for future development include:

- Continuing to ensure effective two way communication is in place across the Trust at all levels and with all stakeholders
- Development of Director level CPD and updating of skills gap analysis
- Ensuring there is effective succession planning in place for Board leadership roles

Nicholas Postgate Catholic Academy Trust

Governance Statement (continued)

- Reviewing the development and performance of our LGBs to inform training and governance support across the Trust
- Development of overall compliance systems across the Trust to provide Trustees with more regular assurance on issues of statutory compliance

Review of Value for Money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic period, 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 Trust has delivered improved value for money during the period by:

- Implementation of a single bank account, accounting and budgeting support software across all of the Trust's schools
- Agreeing that all schools, with the exception of the 2 PFI arrangements, would use the government's RPA cover
- Overseeing a procurement strategy for the Trust which has delivered savings in respect of contracts for audit, payroll, accounting software, health & safety advice during 2018/19
- Using approved frameworks to appoint a single teaching supply agency with associated efficiencies and quality assurance mechanisms
- Beginning the journey towards becoming a cashless Trust with all schools now using a parent payment portal solution
- The retendering of staff absence insurance across the Trust resulting in becoming a member of Education Mutual, which aims to reinvest any surpluses within our sector
- Delivery of a full review of administrative and ICT support with a resulting structure that delivered significant savings and more efficient working models for the Trust
- Delivery of the Trust's first capital programme using an integrated planning approach and professional input from the Trust's own Head of Estates & Compliance
- Investment of surplus cash balances to attract a rate of return through the use of approved counter parties
- Supporting the qualification of the Trust's CFO as an accredited Schools Resource Management Advisor (SRMA) to allow these skills to be deployed internally within the Trust in future periods and also to offer this capacity as support to the wider sector regionally
- The Trust's School Improvement Framework risk assessment process informing priorities for resource allocation

Nicholas Postgate Catholic Academy Trust

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Trust's 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 Nicholas Postgate Catholic Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing its significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has appointed Baldwins to undertake a programme of internal assurance checks twice a year in the Spring and Summer terms, covering all 26 schools and the Trust's central team.

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

- testing of payroll systems;
- testing of purchase systems;
- testing of control account/ bank reconciliations;
- testing of expense claims;
- testing of gifts and hospitality;

Nicholas Postgate Catholic Academy Trust

Governance Statement (continued)

- testing of income;
- testing of financial reporting procedures;
- testing of trustee and governor registers of business interests;
- testing of inventories and asset registers; and
- reviewing the taxation position of the Trust.

Following each assurance visit Baldwins Audit Services report to the Board of Trustees, through the Trust's Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The auditor has undertaken two termly reviews in 2018/19 and a number of recommendations were raised to address the weaknesses identified. The most significant issues raised were in the process of being addressed as part of the Trust's financial period-end closedown and these areas will be revisited in the autumn term of 2019.

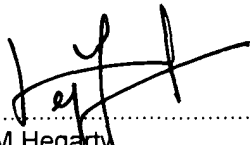
Review of Effectiveness

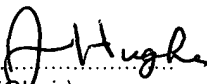
The CEO as Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal assurance reviews undertaken by the appointed provider
- the external audit of the Trust's financial statements for 2018/19; and
- the work of the Trust's Chief Operating Officer (nominated CFO) and central finance team 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 17.12.19 and signed on its behalf by:


.....
H M Hegarty
Accounting officer
Trustee


.....
J Hughes (Chair)
Trustee

Nicholas Postgate Catholic Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Nicholas Postgate Catholic Academy Trust I have considered my responsibility to notify the academy trust Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Directors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



.....
H M Hegarty
Accounting officer

Date: 17.12.19

Nicholas Postgate Catholic Academy Trust

Statement of Trustees' Responsibilities

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

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

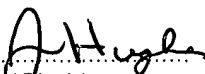
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 on 17.12.19 and signed on its behalf by:


.....
J Hughes (Chair)
Trustee

Nicholas Postgate Catholic Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Nicholas Postgate Catholic Academy Trust

Opinion

We have audited the financial statements of Nicholas Postgate Catholic Academy Trust (the 'academy trust') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information (covers the Reference and Administrative Details, the Trustees Report the Governance Statement the Statement on Regularity, Propriety and Compliance, and the Statement of Trustees' Responsibilities)

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Nicholas Postgate Catholic Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Nicholas Postgate Catholic Academy Trust (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report .

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 24, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Nicholas Postgate Catholic Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Nicholas Postgate Catholic Academy Trust (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the academy trust's trustees, 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 academy trust's trustees 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 academy trust and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Tait Walker

Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *19th December 2019*

MHA Tait Walker is a trading name of Tait Walker LLP.

Nicholas Postgate Catholic Academy Trust

Independent Reporting Accountant's Report on Regularity to Nicholas Postgate Catholic Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 4 July 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Nicholas Postgate Catholic Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Directors's funding agreement with the Secretary of State for Education dated 29 September 2014 and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;

Nicholas Postgate Catholic Academy Trust

Independent Reporting Accountant's Report on Regularity to Nicholas Postgate Catholic Academy Trust and the Education & Skills Funding Agency (continued)

- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

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 from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

MHA Tait Walker

MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *19th December 2019*

MHA Tait Walker is a trading name of Tait Walker LLP.

Nicholas Postgate Catholic Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2019 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	71	-	1,508	1,579
Transfer from local authority on conversion		2,776	(5,028)	5,559	3,307
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	45,574	-	45,574
Teaching schools		84	-	-	84
Other trading activities	4	2,718	-	-	2,718
Investments	5	11	-	-	11
Total		5,660	40,546	7,067	53,273
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	944	48,628	538	50,110
Teaching schools	31	64	-	-	64
Total		1,008	48,628	538	50,174
Net income/(expenditure)		4,652	(8,082)	6,529	3,099
Transfers between funds		(649)	248	401	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	28	-	(5,529)	-	(5,529)
Net movement in funds/(deficit)		4,003	(13,363)	6,930	(2,430)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		907	(1,111)	2,547	2,343
Total funds/(deficit) carried forward at 31 August 2019		4,910	(14,474)	9,477	(87)

Nicholas Postgate Catholic Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2018 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	17	-	179	196
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	9,316	-	9,316
Teaching schools		45	40	-	85
Other trading activities	4	747	-	-	747
Investments	5	1	-	-	1
Total		810	9,356	179	10,345
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	750	9,296	126	10,172
Teaching schools		64	51	-	115
Total		814	9,347	126	10,287
Net (expenditure)/income		(4)	9	53	58
Transfers between funds		-	(103)	103	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	28	-	433	-	433
Net movement in (deficit)/funds		(4)	339	156	491
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		911	(1,450)	2,391	1,852
Total funds/(deficit) carried forward at 31 August 2018		907	(1,111)	2,547	2,343

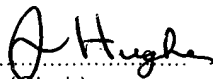
Nicholas Postgate Catholic Academy Trust

(Registration number: 09203984)

Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	13	8,217	2,569
Current assets			
Stocks	14	3	-
Debtors	15	1,836	300
Current asset investments	16	1,000	-
Cash at bank and in hand		7,138	1,561
		<u>9,977</u>	<u>1,861</u>
Creditors: Amounts falling due within one year	17	<u>(3,536)</u>	<u>(676)</u>
Net current assets		<u>6,441</u>	<u>1,185</u>
Total assets less current liabilities		14,658	3,754
Creditors: Amounts falling due after more than one year	18	<u>(267)</u>	<u>(55)</u>
Net assets excluding pension liability		14,391	3,699
Pension scheme liability	28	<u>(14,478)</u>	<u>(1,356)</u>
Net (liabilities)/assets including pension liability		<u>(87)</u>	<u>2,343</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	19	4	245
Restricted fixed asset fund	19	9,477	2,547
Restricted pension fund	19	<u>(14,478)</u>	<u>(1,356)</u>
		<u>(4,997)</u>	<u>1,436</u>
Unrestricted funds			
Unrestricted income fund	19	<u>4,910</u>	<u>907</u>
Total funds		<u>(87)</u>	<u>2,343</u>

The financial statements on pages 30 to 69 were approved by the trustees, and authorised for issue on 17.12.19 and signed on their behalf by:


 J Hughes (Chair)
 Trustee

Nicholas Postgate Catholic Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £ 000	2018 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	23	6,130	193
Cash flows from investing activities	25	(553)	(125)
Cash flows from financing activities	24	<u>-</u>	<u>(13)</u>
Change in cash and cash equivalents in the year		5,577	55
Cash and cash equivalents at 1 September		<u>1,561</u>	<u>1,506</u>
Cash and cash equivalents at 31 August	26	<u><u>7,138</u></u>	<u><u>1,561</u></u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

Nicholas Postgate Catholic Academy Trust 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 period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Grants

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

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

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

Donations

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

Other income

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

Investment income

Interest receivable is included in the Statement of Financial Activities on an accruals basis.

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income.

Transfer of existing academies into the trust

Where assets are received on the transfer of an existing academy into the academy trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within donations and capital grant income.

Expenditure

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Charitable activities

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

Intangible fixed assets

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Amortisation method and rate
Computer software	3 years straight line

Tangible fixed assets

Land, buildings and improvements over £5,000 and plant, machinery, equipment vehicles or and ICT over £1,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on either a straight-line or reducing balance basis over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Asset class	Depreciation method and rate
Long leasehold land	125 years straight line
Long leasehold land improvements	20 years straight line
Long Church owned land improvements	20 years straight line
Long leasehold building	25 - 50 years straight line
Long Church owned building improvements	50 years straight line
Fixtures & fittings	7 years straight line
Motor vehicles	4 years straight line
Computer equipment	3 years straight line

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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.

Provisions

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

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

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

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

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

Fund accounting

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

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

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

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.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

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 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £539,000 (2018 - £126,000).

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment.

In assessing whether there have been any indicators of impairment of assets the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Other voluntary income				
Capital grants	-	1,508	1,508	179
Other donations	71	-	71	17
	<u>71</u>	<u>1,508</u>	<u>1,579</u>	<u>196</u>
	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Total 2018 £ 000	
Total 2018	<u>17</u>	<u>179</u>	<u>196</u>	

3 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
DfE/ESFA revenue grants			
General Annual Grant GAG	37,828	37,828	7,806
Other ESFA Group grants	<u>5,079</u>	<u>5,079</u>	<u>668</u>
	<u>42,907</u>	<u>42,907</u>	<u>8,474</u>
Other government grants			
Local authority grants	2,643	2,643	59
Other Government grants	<u>-</u>	<u>-</u>	<u>392</u>
	<u>2,643</u>	<u>2,643</u>	<u>451</u>
Non-government grants and other income			
Other income from the academy trusts educational operations	<u>24</u>	<u>24</u>	<u>391</u>
Total grants	<u>45,574</u>	<u>45,574</u>	<u>9,316</u>
	Restricted funds £ 000	Total 2018 £ 000	
Total 2018	<u>9,316</u>	<u>9,316</u>	

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

4 Other trading activities

	Unrestricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Lettings income	35	35	8
Catering income	729	729	63
Staff absence insurance	398	398	112
Trip income	301	301	221
School transport	237	237	118
Uniform income	16	16	4
Sundry income	1,002	1,002	221
	<u>2,718</u>	<u>2,718</u>	<u>747</u>
	Unrestricted funds £ 000	Total 2018 £ 000	
Total 2018	<u>747</u>	<u>747</u>	

5 Investment income

	Unrestricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Short term deposits	<u>11</u>	<u>11</u>	<u>1</u>
	Unrestricted funds £ 000	Total 2018 £ 000	
Total 2018	<u>1</u>	<u>1</u>	

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

6 Expenditure

	Non Pay Expenditure			Total	Total
	Staff costs	Premises	Other costs	2019	2018
	£ 000	£ 000	£ 000	£ 000	£ 000
Academy's educational operations					
Direct costs	30,228	-	1,560	31,788	6,886
Allocated support costs	6,732	4,507	7,083	18,322	3,286
Expenses relating to the teaching school activities	-	-	64	64	115
	<u>36,960</u>	<u>4,507</u>	<u>8,707</u>	<u>50,174</u>	<u>10,287</u>

	Non Pay Expenditure			Total
	Staff costs	Premises	Other costs	2018
	£ 000	£ 000	£ 000	£ 000
Total 2018	<u>7,070</u>	<u>1,333</u>	<u>1,884</u>	<u>10,287</u>

Net income/(expenditure) for the year includes:

	2019	2018
	£ 000	£ 000
Operating lease rentals	107	27
Depreciation	539	126
Fees payable to auditor - audit	18	12
Fees payable to auditor - other audit services	<u>3</u>	<u>4</u>

7 Charitable activities

	2019	2018
	£ 000	£ 000
Direct costs - educational operations	31,788	6,886
Support costs - educational operations	<u>18,322</u>	<u>3,286</u>
	<u>50,110</u>	<u>10,172</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Charitable activities (continued)

	Educational operations £ 000	2019 £ 000	2018 £ 000
Analysis of support costs			
Support staff costs	6,732	6,732	794
Depreciation	538	538	126
Technology costs	812	812	119
Premises costs	3,969	3,969	1,207
Other support costs	4,507	4,507	765
Governance costs	1,764	1,764	275
Total support costs	<u>18,322</u>	<u>18,322</u>	<u>3,286</u>

8 Staff

Staff costs

	2019 £ 000	2018 £ 000
Staff costs during the year were:		
Wages and salaries	27,401	5,348
Social security costs	2,523	502
Operating costs of defined benefit pension schemes	<u>5,719</u>	<u>1,023</u>
	35,643	6,873
Supply staff costs	1,181	182
Staff restructuring costs	<u>136</u>	<u>15</u>
	<u>36,960</u>	<u>7,070</u>
	2019 £ 000	2018 £ 000

Staff restructuring costs comprise:

Redundancy payments	<u>136</u>	<u>15</u>
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Staff numbers

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

	2019 No.	2018 No.
Charitable Activities		
Teachers	510	110
Administration and support	711	120
Management	<u>12</u>	<u>6</u>
	<u>1,233</u>	<u>236</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff (continued)

Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	16	3
£70,001 - £80,000	3	1
£80,001 - £90,000	3	-
£130,001 - £140,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £2,023,735 (2018 - £438,000).

9 Central services

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

9 Central services (continued)

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

- Human resources
- Administration support services
- Education support services
- School improvement services
- Financial management support
- Estates management & compliance support
- Governor support services
- Safeguarding & welfare support
- ICT & data support services
- Attendance monitoring and intervention services

The academy trust charges for these services by retaining 5.25% of annual GAG funding. 0.25% of this amount is ring-fenced to provide a Trust wide staff CPD programme.

The actual amounts charged during the year were as follows:

	2019 £ 000	2018 £ 000
St Bede's Voluntary Catholic Primary Academy	40	77
Saint Paulinus Catholic Primary School	42	55
Saint Joseph's Catholic Primary School	63	7
Sacred Heart Catholic Secondary	158	38
St Benedict's Primary Catholic Voluntary Academy	73	18
Nicholas Postgate Trust	-	43
Saint Gabriel's Catholic Voluntary Primary Academy	47	-
Saint Peter's Catholic Voluntary Academy	134	-
St Margaret Clitherows RC Primary School	60	-
St Mary's Catholic Voluntary Primary Academy	42	-
Christ The King Roman Catholic Primary School	59	-
St Therese of Lisieux Catholic Primary School	39	-
St Patrick's Catholic College	118	-
St. Patrick's Roman Catholic Primary School	72	-
Corpus Christi RC Primary School	57	-
Sacred Heart Primary School	64	-
St Alphonsus' Catholic Primary School	47	-
St Augustine's RC Primary School	42	-
St Bernadette's Catholic Primary School	40	-
St Clare's RC Primary School	40	-
St Edward's RC Primary School	69	-
St Gerard's RC Primary School	40	-
St Joseph's RC Primary School	34	-
St Thomas More RC Primary School	44	-
Trinity Catholic College	206	-
St Pius X Catholic Primary School	47	-
	<u>1,677</u>	<u>238</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (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 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, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

H M Hegarty (Chief Executive Officer):

Remuneration: £130,000 - £135,000 (2018 - £30,000 - £35,000)

Employer's pension contributions: £20,000 - £25,000 (2018 - £0 - £5,000)

P Strudwick (Head Teacher (resigned 8 March 18)):

Remuneration: £Nil (2018 - £40,000 - £45,000)

Employer's pension contributions: £Nil (2018 - £5,000 - £10,000)

A G Toward (Head Teacher (resigned 8 March 2018)):

Remuneration: £Nil (2018 - £30,000 - £35,000)

Employer's pension contributions: £Nil (2018 - £5,000 - £10,000)

A Coulson (Head Teacher (resigned 31 December 2017)):

Remuneration: £Nil (2018 - £15,000 - £20,000)

Employer's pension contributions: £Nil (2018 - £5,000 - £10,000)

S K Greaves (Head Teacher (resigned 31 August 2018)):

Remuneration: £Nil (2018 - £55,000 - £60,000)

Employer's pension contributions: £Nil (2018 - £5,000 - £10,000)

K Sill (Head Teacher (resigned 8 March 2018)):

Remuneration: £Nil (2018 - £35,000 - £40,000)

Employer's pension contributions: £Nil (2018 - £5,000 - £10,000)

During the year ended 31 August 2019, travel and subsistence expenses totalling £1,163 (2018 - £47) were reimbursed or paid directly to 1 trustees (2018 - 1).

Other related party transactions involving the trustees are set out in note 29.

11 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

12 Intangible fixed assets

	Software £ 000
Cost	
At 1 September 2018	20
At 31 August 2019	20
Amortisation	
At 1 September 2018	20
At 31 August 2019	20
Net book value	
At 31 August 2019	-
At 31 August 2018	-

13 Tangible fixed assets

	Leasehold land and buildings £ 000	Fixtures & Fittings £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost					
At 1 September 2018	2,474	175	2	288	2,939
Additions	706	98	-	268	1,072
Inherited assets	4,169	727	-	219	5,115
At 31 August 2019	7,349	1,000	2	775	9,126
Depreciation					
At 1 September 2018	95	83	2	190	370
Charge for the year	97	205	-	237	539
At 31 August 2019	192	288	2	427	909
Net book value					
At 31 August 2019	7,157	712	-	348	8,217
At 31 August 2018	2,379	92	-	98	2,569

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

13 Tangible fixed assets (continued)

The academy trust occupies land (including buildings) which is owned by its trustees who are The Roman Catholic Diocese of Middlesbrough. The trustees are the providers of the academy on the same basis as when the academy was a maintained school. The academy trust occupies the land (and buildings) under a mere licence. This continuing permission of their trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust for the time being, but does not vest any rights over the land in the academy trust. The trustees have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust is occupying the land (and buildings) the trustees have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy trust.

14 Stock

	2019 £ 000	2018 £ 000
Stock	3	-

15 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	100	5
VAT recoverable	692	117
Other debtors	15	-
Prepayments	1,029	178
	<u>1,836</u>	<u>300</u>

16 Current asset investments

	2019 £ 000	2018 £ 000
Fixed term deposits	<u>1,000</u>	<u>-</u>

17 Creditors: amounts falling due within one year

	2019 £ 000	2018 £ 000
Trade creditors	1,039	193
Other taxation and social security	622	117
Other creditors	34	14
Accruals	575	74
Deferred income	725	171
Pension scheme creditor	541	107
	<u>3,536</u>	<u>676</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Creditors: amounts falling due within one year (continued)

	2019 £ 000	2018 £ 000
Deferred income		
Deferred income at 1 September 2018	171	208
Resources deferred in the period	725	171
Amounts released from previous periods	(171)	(208)
Deferred income at 31 August 2019	<u>725</u>	<u>171</u>

At the balance sheet date the Trust was holding funds received in advance in respect of Local Authority Top Up fees and Universal Infant Free School Meals income.

18 Creditors: amounts falling due after one year

	2019 £ 000	2018 £ 000
Other loans	<u>267</u>	<u>55</u>

Loans of £66,000 from Middlesbrough Diocese which is provided on the following terms: Loan from Diocese (St Paulinus Catholic Primary School) - interest free loan repayments in 6-monthly installments of £5,500.

Loans of £3,500 from Middlesbrough Diocese which is provided on the following terms: Loan from Diocese (St Joseph's RC Primary School) - interest free loan repayments in 6-monthly installments of £895.

Loans of £113,789 from Middlesbrough Diocese which is provided on the following terms: Loan from Diocese (St Clare's RC Primary School) - interest free loan repayments in 6-monthly installments of £5,000.

Loans of £59,333 from Middlesbrough Diocese which is provided on the following terms: Loan from Diocese (Christ the King Roman Catholic Primary School) - interest free loan repayments in 6-monthly installments of £2,017.

Loans of £6,250 from Middlesbrough Diocese which is provided on the following terms: Loan from Diocese (St Gerard's RC Primary School) - interest free loan repayments in 6-monthly installments of £2,168.

Loans of £49,578 from Middlesbrough Diocese which is provided on the following terms: Loan from Diocese (St Therese of Lisieux Catholic Primary School) - there is currently a one year payment holiday on this loan.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

19 Funds

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	38,012	(39,363)	1,351	-
Pupil Premium	56	3,197	(3,253)	-	-
National College for Teaching and Leadership	4	-	-	-	4
Other DfE/ESFA grants	23	1,697	(1,744)	24	-
Other government grants	-	2,667	(2,667)	-	-
Other grants	162	-	-	(162)	-
Other income	-	965	-	(965)	-
	<u>245</u>	<u>46,538</u>	<u>(47,027)</u>	<u>248</u>	<u>4</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	636	1,507	(538)	401	2,006
Capital expenditure from GAG	169	-	-	-	169
Private sector capital sponsorship	12	-	-	-	12
Inherited on conversion	1,666	-	-	-	1,666
Unrestricted fixed assets	49	1	-	-	50
Big Lottery	15	-	-	-	15
Amounts on conversion	-	5,559	-	-	5,559
	<u>2,547</u>	<u>7,067</u>	<u>(538)</u>	<u>401</u>	<u>9,477</u>
Restricted pension funds					
Pension reserve	<u>(1,356)</u>	<u>(5,992)</u>	<u>(1,601)</u>	<u>(5,529)</u>	<u>(14,478)</u>
Total restricted funds	<u>1,436</u>	<u>47,613</u>	<u>(49,166)</u>	<u>(4,880)</u>	<u>(4,997)</u>
Unrestricted funds					
General fund	736	5,576	(944)	(649)	4,719
Private school fund	77	-	-	-	77
Teaching alliance	75	84	(64)	-	95
PFI reserve	19	-	-	-	19
Total unrestricted funds	<u>907</u>	<u>5,660</u>	<u>(1,008)</u>	<u>(649)</u>	<u>4,910</u>
Total funds	<u>2,343</u>	<u>53,273</u>	<u>(50,174)</u>	<u>(5,529)</u>	<u>(87)</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

19 Funds (continued)

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

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	7,806	(7,703)	(103)	-
Pupil Premium	88	388	(420)	-	56
National College for Teaching and Leadership	28	40	(64)	-	4
Other DfE/ESFA grants	9	288	(274)	-	23
SEN funding	-	59	(59)	-	-
Other government grants	-	384	(384)	-	-
Other grants	-	391	(229)	-	162
	<u>125</u>	<u>9,356</u>	<u>(9,133)</u>	<u>(103)</u>	<u>245</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	489	179	(32)	-	636
Capital expenditure from GAG	93	-	(27)	103	169
Private sector capital sponsorship	13	-	(1)	-	12
Inherited on conversion	1,724	-	(58)	-	1,666
Unrestricted fixed assets	54	-	(5)	-	49
Big Lottery	18	-	(3)	-	15
	<u>2,391</u>	<u>179</u>	<u>(126)</u>	<u>103</u>	<u>2,547</u>
Restricted pension funds					
Pension reserve	<u>(1,575)</u>	<u>-</u>	<u>(214)</u>	<u>433</u>	<u>(1,356)</u>
Total restricted funds	<u>941</u>	<u>9,535</u>	<u>(9,473)</u>	<u>433</u>	<u>1,436</u>
Unrestricted funds					
General fund	686	765	(715)	-	736
Private school fund	125	-	(48)	-	77
Teaching alliance	81	45	(51)	-	75
PFI reserve	19	-	-	-	19
Total unrestricted funds	<u>911</u>	<u>810</u>	<u>(814)</u>	<u>-</u>	<u>907</u>
Total funds	<u>1,852</u>	<u>10,345</u>	<u>(10,287)</u>	<u>433</u>	<u>2,343</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

19 Funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running of the Academy Trust including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the Academy Trust sees fit to support deprived students.

NCTL Teaching School funding is restricted grants received from the National College for Leadership and Teaching. Other DfE/ESFA grants relates to universal infant free school meals, rates relief and PE sports grant.

SEN funding is funding to provide additional support to qualifying pupils. Other Government grants relates to early years funding, two year old income and SEN received from the council.

Other grant income related to conversion monies which have been received from the other academy trusts which joined the new Multi Academy Trust on 1 September 2018. This income is to be spent on the costs of conversion, of which a significant amount was incurred in the current period.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 23.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds includes income from trips, catering, before and after school club, teaching alliance and other income. Relevant costs have been allocated accordingly.

Transfers represent monies transferred from revenue to fund the purchase of fixed assets and to cover loan repayments in the year.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

19 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	2019 £ 000	2018 £ 000
St Bede's Catholic VA Primary School	1	165
St Paulinus Catholic Primary School	1	186
St Joseph's Catholic Primary School	1	90
Sacred Heart Catholic Secondary School	1	301
St Benedict's Primary Catholic School	1	274
St Gabriel's Catholic Voluntary Primary Academy	1	-
St Peter's Catholic Voluntary Academy	1	-
St Margaret Clitherows RC Primary School	1	-
St Mary's Catholic Voluntary Primary Academy	1	-
Christ The King Roman Catholic Primary School	1	-
St Therese of Lisieux Catholic Primary School	1	-
St Patrick's Catholic College	1	-
St Patrick's Roman Catholic Primary School	1	-
Corpus Christi RC Primary School	1	-
Sacred Heart Primary School	1	-
St Alphonsus' Catholic Primary School	1	-
St Augustine's RC Primary School	1	-
St Bernadette's Catholic Primary School	1	-
St Clare's RC Primary School	1	-
St Edward's RC Primary School	1	-
St Gerard's RC Primary School	1	-
St Joseph's RC Primary School	1	-
St Thomas More RC Primary School	1	-
Trinity Catholic College	1	-
St Pius X Catholic Primary School	1	-
All Saints Catholic Primary School	1	-
Nicholas Postgate Central	4,888	136
Total before fixed assets and pension reserve	4,914	1,152
Restricted fixed asset reserve	9,477	2,547
Pension reserve	(14,478)	(1,356)
Total	(87)	2,343

Analysis of academies by cost

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

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

19 Funds (continued)

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2019 £ 000
St Bede's Catholic VA Primary School	732	139	30	223	1,125
St Paulinus Catholic Primary School	694	121	41	238	1,095
St Joseph's Catholic Primary School	559	138	21	197	915
Sacred Heart Catholic Secondary School	2,481	853	130	1,139	4,605
St Benedict's Primary Catholic School	1,261	172	38	505	1,977
St Gabriel's Catholic Voluntary Primary Academy	708	128	87	280	1,203
St Peter's Catholic Voluntary Academy	2,196	615	258	658	3,727
St Margaret Clitherows RC Primary School	1,158	186	38	279	1,661
St Mary's Catholic Voluntary Primary Academy	725	113	37	223	1,097
Christ The King Roman Catholic Primary School	947	152	44	265	1,409
St Therese of Lisieux Catholic Primary School	686	130	48	182	1,045
St Patrick's Catholic College	1,965	492	352	451	3,260
St Patrick's Roman Catholic Primary School	1,212	227	84	333	1,856
Corpus Christi RC Primary School	892	131	113	244	1,380
Sacred Heart Primary School	1,125	117	59	238	1,539
St Alphonsus' Catholic Primary School	651	128	67	229	1,074

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

19 Funds (continued)

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2019 £ 000
St Augustine's RC Primary School	747	69	59	216	1,091
St Bernadette's Catholic Primary School	655	121	35	202	1,012
St Clare's RC Primary School	604	82	50	211	946
St Edward's RC Primary School	1,089	195	64	286	1,635
St Gerard's RC Primary School	696	104	34	159	992
St Joseph's RC Primary School	1,077	183	66	194	1,520
St Thomas More RC Primary School	631	104	97	175	1,007
Trinity Catholic College	5,749	936	459	1,449	8,593
St Pius X Catholic Primary School	675	81	46	265	1,067
All Saints Catholic Primary School	45	12	3	19	79
Nicholas Postgate Central	132	979	116	1,499	2,725
Academy Trust	<u>30,092</u>	<u>6,708</u>	<u>2,476</u>	<u>10,359</u>	<u>49,635</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

19 Funds (continued)

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2018 £ 000
St Bede's Voluntary Catholic Primary Academy	667	88	31	360	1,146
St Paulinus Voluntary Catholic Primary Academy	674	96	58	193	1,021
St Joseph's Voluntary Catholic Primary Academy	548	119	25	157	849
Sacred Heart Secondary Catholic Academy	2,983	278	64	1,311	4,636
St Benedict's Voluntary Catholic Primary Academy	1,227	99	69	529	1,924
Nicholas Postgate Trust	177	114	-	295	586
Academy Trust	<u>6,276</u>	<u>794</u>	<u>247</u>	<u>2,845</u>	<u>10,162</u>

20 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	8,217	8,217
Current assets	4,914	3,803	1,260	9,977
Current liabilities	-	(3,536)	-	(3,536)
Creditors over 1 year	-	(267)	-	(267)
Pension scheme liability	-	(14,478)	-	(14,478)
Total net assets	<u>4,914</u>	<u>(14,478)</u>	<u>9,477</u>	<u>(87)</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

20 Analysis of net assets between funds (continued)

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	2,569	2,569
Current assets	903	980	(22)	1,861
Current liabilities	59	(735)	-	(676)
Creditors over 1 year	(55)	-	-	(55)
Pension scheme liability	-	(1,356)	-	(1,356)
Total net assets	907	(1,111)	2,547	2,343

21 Capital commitments

	2019 £ 000	2018 £ 000
Contracted for, but not provided in the financial statements	-	92

22 Commitments under operating leases

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £ 000
Amounts due within one year	89
Amounts due between one and five years	82
	171

23 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2019 £ 000	2018 £ 000
Net income	3,099	58
Depreciation	539	126
Capital grants from DfE and other capital income	(1,508)	(179)
Assets transferred on conversion from Local Authority	(5,115)	-
Interest receivable	(11)	(1)
Defined benefit pension scheme obligation inherited	5,992	-
Defined benefit pension scheme cost less contributions payable	1,415	177
Defined benefit pension scheme finance cost	186	37
Increase in stocks	(3)	-
(Increase)/decrease in debtors	(1,536)	8
Increase/(decrease) in creditors	3,072	(33)
Net cash provided by Operating Activities	6,130	193

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

24 Cash flows from financing activities

	2019 £ 000	2018 £ 000
Repayments of borrowing	-	(13)
Net cash used in financing activities	-	(13)

25 Cash flows from investing activities

	2019 £ 000	2018 £ 000
Dividends, interest and rents from investments	11	1
Purchase of tangible fixed assets	(1,072)	(305)
(Increase)/decrease in fixed term deposits	(1,000)	-
Capital funding received from sponsors and others	1,508	179
Net cash used in investing activities	(553)	(125)

26 Analysis of cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank and in hand	7,138	1,561
Total cash and cash equivalents	7,138	1,561

27 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 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.

28 Pension and similar obligations

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

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

Contributions amounting to £541,000 (2018 - £107,000) were payable to the schemes at 31 August 2019 and are included within creditors.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

28 Pension and similar obligations (continued)

Teachers' Pension Scheme

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

The Teachers' Pension Budgeting And Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%. A copy of the latest valuation report can be found at:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Scheme Changes

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

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

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

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

28 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £2,841,376 (2018: £936,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension schemes

Teeside Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,908,000 (2018 - £292,000), of which employer's contributions totalled £1,405,000 (2018 - £214,000) and employees' contributions totalled £503,000 (2018 - £78,000). The agreed contribution rates for future years are 14.60 per cent for employers and 5.50 - 12.50 per cent for employees. The scheme is managed by Middlesbrough Borough Council.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.10	3.00
Rate of increase for pensions in payment/inflation	2.10	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumptions (CPI)	2.10	2.00
RPI increases	<u>3.10</u>	<u>3.10</u>

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

	2019	2018
Retiring today		
Males retiring today	21.90	22.90
Females retiring today	23.80	25.00
Retiring in 20 years		
Males retiring in 20 years	23.60	25.10
Females retiring in 20 years	<u>25.70</u>	<u>27.30</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

28 Pension and similar obligations (continued)

Sensitivity analysis

	At 31 August 2019 £000	At 31 August 2018 £000
Discount rate +0.1%	35,137	4,930
Discount rate -0.1%	36,782	5,161
Mortality assumption – 1 year increase	34,731	4,899
Mortality assumption – 1 year decrease	37,185	5,190
CPI rate +0.1%	36,261	5,116
CPI rate -0.1%	35,642	4,973

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

	2019 £ 000	2018 £ 000
Equities	16,444	2,692
Property	1,808	284
Cash and other liquid assets	2,733	664
Other	538	48
Total market value of assets	21,523	3,688

The actual return on scheme assets was £753,000 (2018 - £186,000).

Amounts recognised in the statement of financial activities

	2019 £ 000	2018 £ 000
Current service cost	(2,227)	(391)
Past service cost	(592)	-
Interest income	562	85
Interest cost	(747)	(122)
Total amount recognised in the SOFA	(3,004)	(428)

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

	2019 £ 000	2018 £ 000
At start of period	5,044	4,851
Transferred in on existing academies joining the trust	21,616	-
Current service cost	2,227	391
Interest cost	747	122
Employee contributions	503	78
Actuarial (gain)/loss	5,712	(332)
Benefits paid	(491)	(66)
Past service cost	592	-
At 31 August	35,950	5,044

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

28 Pension and similar obligations (continued)

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

	2019 £ 000	2018 £ 000
At start of period	3,688	3,276
Transferred in on existing academies joining the trust	15,665	-
Interest income	562	85
Actuarial gain/(loss)	191	101
Employer contributions	1,405	214
Employee contributions	503	78
Benefits paid	(491)	(66)
At 31 August	<u>21,523</u>	<u>3,688</u>

North Yorkshire Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £2,000 (2018 - £Nil), of which employer's contributions totalled £2,000 (2018 - £Nil) and employees' contributions totalled £Nil (2018 - £Nil). The agreed contribution rates for future years are 19 per cent for employers and 5.50 - 12.50 per cent for employees. The scheme is managed by North Yorkshire Council.

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

Principal actuarial assumptions

	2019 %
Rate of increase in salaries	3.30
Rate of increase for pensions in payment/inflation	2.00
Discount rate for scheme liabilities	1.40
Inflation assumptions (CPI)	2.00
RPI increases	<u>3.00</u>

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

	2019
Retiring today	
Males retiring today	21.90
Females retiring today	25.10
Retiring in 20 years	
Males retiring in 20 years	23.60
Females retiring in 20 years	<u>26.90</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

28 Pension and similar obligations (continued)

Sensitivity analysis

	At 31 August 2019 £000
Discount rate +0.1%	103
Discount rate -0.1%	109
Mortality assumption – 1 year increase	104
Mortality assumption – 1 year decrease	108
CPI rate +0.1%	107
CPI rate -0.1%	105

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

	2019 £ 000
Equities	31
Government bonds	11
Property	4
Cash and other liquid assets	3
Other	6
Total market value of assets	55

The actual return on scheme assets was £3,000.

Amounts recognised in the statement of financial activities

	2019 £ 000
Current service cost	3
Interest cost	1
Total amount recognised in the SOFA	4

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

	2019 £ 000
Conversion of academy trusts	90
Current service cost	3
Interest cost	1
Employee contributions	1
Actuarial (gain)/loss	11
At 31 August	106

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

28 Pension and similar obligations (continued)

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

	2019 £ 000
Conversion of academy trusts	49
Actuarial gain/(loss)	3
Employer contributions	2
Employee contributions	1
	<hr/>
At 31 August	55

29 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 AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.

Expenditure related party transactions

During the year the academy trust made the following related party transactions:

Diocese of Middlesbrough

(An organisation in which N Mack (a trustee) is a director, K Duffy (a trustee) is a Director of Schools, and J A Walton (a trustee) is Director is a financial secretary. The Diocese of Middlesbrough also owns the school buildings.)

The academy trust made an annual contribution totalling £nil (2018 - £34,009) during the period.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

The element above £2,500 has been provided 'at no more than cost' and Diocese of Middlesbrough has provided a statement of assurance confirming this.

At the balance sheet date the amount due to Diocese of Middlesbrough was £Nil (2018 - £Nil).

The Endeavour Partnership LLP

(An LLP in which J W Brown (a trustee) is a member.)

The academy trust purchased training services totalling £nil (2018 - £420) during the period.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to The Endeavour Partnership LLP was £Nil (2018 - £Nil).

Galileo Multi Academy Trust

(An academy in which A Coulson is also a director and E J Nicholls is a member.)

The academy trust made payments for teaching schools support totalling £nil (2018 - £16,634) and training courses of £nil (2018 - £1,290) during the period.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Galileo Multi Academy Trust was £Nil (2018 - £Nil).

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

30 Transfer of existing academies into the Trust

St Oswald's Catholic Academy Trust

	Value reported by transferring academy trust £ 000	Transfer in recognised £ 000
Tangible fixed assets		
Leasehold land and buildings	382	382
Leasehold improvements	1,420	1,420
Furniture and equipment	384	384
Computer equipment	36	36
	<u>2,222</u>	<u>2,222</u>
Other assets		
Debtors due in less than one year	449	449
Cash in bank and in hand	1,169	1,169
	<u>1,618</u>	<u>1,618</u>
Liabilities		
Creditors due in less than one year	(643)	(643)
Pensions		
Pensions – pension scheme assets	3,185	3,185
Pensions – pension scheme liabilities	(4,466)	(4,466)
	<u>(1,281)</u>	<u>(1,281)</u>
Net assets	<u>1,916</u>	<u>1,916</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

30 Transfer of existing academies into the Trust (continued)

St Hilda's Catholic Academy Trust

	Value reported by transferring academy trust £ 000	Transfer in recognised £ 000
Tangible fixed assets		
Freehold land and buildings	2,362	2,362
Furniture and equipment	238	238
Computer equipment	178	178
	<u>2,778</u>	<u>2,778</u>
Other assets		
Debtors due in less than one year	1,013	1,013
Cash in bank and in hand	3,748	3,748
	<u>4,761</u>	<u>4,761</u>
Liabilities		
Creditors due in less than one year	(1,835)	(1,835)
Pensions		
Pensions – pension scheme assets	9,109	9,109
Pensions – pension scheme liabilities	(12,357)	(12,357)
	<u>(3,248)</u>	<u>(3,248)</u>
Net assets	<u>2,456</u>	<u>2,456</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

30 Transfer of existing academies into the Trust (continued)

Our Lady of Light

	Value reported by transferring academy trust £ 000	Transfer in recognised £ 000
Tangible fixed assets		
Furniture and equipment	115	115
Other assets		
Stock	3	3
Debtors due in less than one year	206	206
Cash in bank and in hand	661	661
	<u>870</u>	<u>870</u>
Liabilities		
Creditors due in less than one year	(500)	(500)
Creditors due in more than one year	(100)	(100)
	<u>(600)</u>	<u>(600)</u>
Pensions		
Pensions – pension scheme assets	3,371	3,371
Pensions – pension scheme liabilities	(4,793)	(4,793)
	<u>(1,422)</u>	<u>(1,422)</u>
Net liabilities	<u>(1,037)</u>	<u>(1,037)</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

31 Teaching school trading account

	2019 £ 000	2018 £ 000
Income		
Direct Income		
Other income	84	85
Total Income	84	85
Expenditure		
Direct costs		
Other direct costs	(64)	(113)
Other costs		
Other support costs	-	(2)
Total Expenditure	(64)	(115)
Surplus/(Deficit) from all sources	20	(30)
Teaching school balances at 31 August 2019	20	(30)

32 Conversion to an Academy Trust

On 1 June 2019 the All Saints Catholic Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Nicholas Postgate Catholic Academy Trust from the North Yorkshire Local Authority for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Restricted general fund £ 000	Total £ 000
Budget surplus on LA funds	13	13
LGPS pension deficit	(41)	(41)
Net liabilities	(28)	(28)

The above net liabilities include £13,000 that were transferred as cash.