



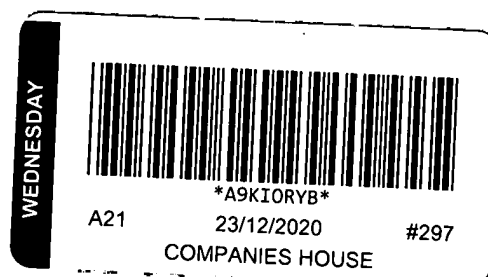
The
St Gregory the Great
Catholic Academy Trust

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST**(A company limited by guarantee)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Rev T Swinglehurst Rev P Fisher Bishop M Stock
Directors	A Cox, Chair of Trustees J M Weaving Rev T Wiley (resigned 30 September 2019) T Camidge C Tobbell P Jackson J A McDonnell (appointed 8 October 2020)
Company registered number	10785982
Company name	St Gregory The Great Catholic Academy Trust
Principal and registered office	Holy Rosary & St Anne's Catholic Primary School Leopold Street Leeds West Yorkshire LS7 4AW
Accounting officer	Angela Cox
Senior management team	F Clark, Christ The King - Headteacher E McDonagh-Smith, Holy Rosary and St Anne's - Headteacher A M Phillips, Immaculate Heart of Mary - Headteacher S O'Brien, St Augustine's - Headteacher T McStay, St Urban's - Headteacher P Bowker, St Pauls' - Headteacher
Independent auditors	BHP LLP New Chartford House Centurion Way Cleckheaton Bradford West Yorkshire BD19 3QB

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers

Lloyds Bank
Lisbon House
Wellington Street
Leeds
West Yorkshire
LS1 4LT

Yorkshire Bank
Waver Green
Pudsey
Leeds
West Yorkshire
LS28 7BG

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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

At the start of the year, the Trust comprised one academy, Christ the King Catholic Primary School. On 1 March 2020 four further primary academies, Holy Rosary & St Anne's Catholic Primary School, Immaculate Heart of Mary Catholic Primary School, St Augustine's Catholic Primary School and St Urban's Catholic Primary School joined the Trust. On 1 April 2020 St Paul's Catholic Primary School joined the trust, bringing the total number of academies to six at 31 August 2020. The academies have a combined pupil capacity of 1,710 and had a roll of 1,651 in the school census as at January 2020.

Structure, governance and management

a. Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of St Gregory the Great Catholic Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Gregory the Great Catholic Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

Indemnity for the claims made against the Trustees of the academy trust as a result of undertaking everyday authorised activities on behalf of the academy trust is in place at a level of £10,000,000 and is reviewed annually as part of the whole academy trust review of insurances.

d. Method of recruitment and appointment or election of Trustees

Foundation trustees – appointed by the Diocesan Bishop, following an application process through the Diocese and in particular within the Parishes across Leeds which are served by the academy trust. Trustees are selected in order to provide a broad range of skills and experience and be supportive of Catholic education within the Diocese. The Foundation trustees shall always be two more than the number of other Trustees.

On adoption of the new articles the Trust has only foundation governors, therefore no other appointments or elections have been made in the period.

The term of office for any trustee is 4 years and subject to remaining eligible, as outlined above, trustees may be reappointed. Upon the resignation of any trustee, a replacement will be appointed or elected as outlined above.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

All trustees have access to and are taking advantage of training provided by both the Diocesan Education Office and Leeds LAs. Trustees are sharing experience and skills as a group and individually where appropriate. As the academy trust develops, a targeted training programme will be implemented as required to meet the needs of the trustees.

f. Organisational structure

The Trust Board is responsible for the strategic direction of the Trust and has overall responsibility for standards, finance and estates. The Trust has a Finance and Audit Committee and Curriculum and Pupil Experience Committees to support this role. This committee structure is developing as the Trust grows to reflect developing MAT good practice and research. For 2020/21, a separate Audit and Risk Committee has been established.

Each academy in the Trust has an Academy Council. The Academy Councils are focussed on the interest of the individual academy and include parental and staff representatives. The Academy Council is delegated responsibility for operation of admissions, staffing, learning outcomes as well as working with partners including the local parish and the wider community.

g. Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management personnel is approved by the board with reference to pay ranges in the DFE's guidance on school teachers' pay and other pay scales. Academies are responsible for the performance management of all staff except headteachers where the board has a role to ensure moderation across all academies.

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

<i>Percentage of time</i>	<i>Number of employees</i>
0%	-
1%-50%	-
51%-99%	-
100%	-

<i>Percentage of pay bill spent on facility time</i>	<i>£</i>
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Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

St Gregory the Great Catholic Academy Trust is part of the Diocese of Leeds and works closely with both the Diocesan Education Service and all Catholic schools and academies within the Diocese. The academy trust also works with a number of local and national charities and organisations in pursuit of the activities as defined in the "Objects" of the academy trust.

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

a. Objects and aims

The academy trust, through its member academies and wider trust board, aims to provide a world class Catholic education to the young people and families within the area in conjunction with and as directed by the Diocese of Leeds. The academies within the trust work together to develop this provision in line with Gospel values and with due regard to the Catholic Church in order to provide the best possible opportunities for all our young people and families. These objects and aims are outlined in the articles of association and the trust development plan for the academy trust. The academies have detailed development plans to ensure significant progress over the next academic year.

The academies within the Trust have shared school improvement advisory work and peer work has been a focus for the year. The majority of schools joined the trust in March and April as lockdown started. This severely impaired the opportunities to develop joint working in depth as the focus remained on ensuring that the academies were safe for pupils and staff to return to education. The academies worked closely together to prepare detailed risk assessments and plan re-opening with all the requirements of the DfE guidance adhered to carefully. Christ the King had a spot visit from the insurers and no issues were noted. To date none of the schools have had an Ofsted or HSE visit. The directors express their gratitude to all the staff who gave time to ensuring the schools stayed open for key worker families during the early lockdown. This was followed by professional efforts to develop quality systems for remote learning and planning to work in discrete year group bubbles on re-opening as well as support for families during school holidays including some academies running foodbanks. The return to school in September was successful with high levels of attendance above the national average. The directors appreciate the trust that families showed in supporting the return of pupils in all our academies.

b. Objectives, strategies and activities

During the year Christ the King Catholic Academy made significant independent progress until the interruptions of the pandemic but demonstrated a professional response to the situation working with the other academies in March 2020. The work of the trust to expand further has continued with two high schools Cardinal Heenan Catholic School and Corpus Christi Catholic College both being granted academy orders allowing conversion to the Trust. The central team was expanded to allow support for joining academies.

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

Standard Assessment Tests (SATs) were not held in the summer of 2020 due to coronavirus. The trust is reporting the trust averages of teacher assessments for Key Stage 2.

As 5 schools joined the Trust within weeks of school closures due to Covid-19, formal education stopped and therefore there was limited opportunity for the Trust to impact on school data. Consequently the Trust is reporting on the results of Christ the King Catholic Primary School only, based on Teacher End of Year assessments.

% Pupils making expected standard in Reading, Writing and Maths 80% (2019 – 80%)
% Pupils making higher than expected standard in Reading, Writing and Maths 13% (2019 – 8%)
% Pupils making expected standard in Reading 87% (2019 – 80%)
% Pupils making expected standard in Writing 80% (2019 – 80%)
% Pupils making expected standard in Maths 90% (2019 – 92%)

Due to the nature of the academic year including school closures the Trust is not reporting annual attendance.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

The strategic aims of the trust during the year to 31 August 2020 were:

- 1) Ensuring academic standards including attainment and progress meet expectations
- 2) To expand the trust and develop systems suitable for a large multi-academy trust, ensuring schools joining are supported
- 3) Ensure the budgets are managed appropriately

- 1) Raising Standards

The trust directors acknowledge the hard work, expertise and dedication of school staff who together have worked tirelessly during unprecedented times.

Progress data is not available for the year ending 31 August 2020 as a result of the Covid-19 pandemic.

- 2) Trust Expansion

In line with the expectations of the Bishop of Leeds, the trust was established to allow the family of catholic schools in central Leeds to come together to support each other. In March and April 2020 5 primary schools converted to academy status, joining the trust. In October 2020 another primary school joined the trust. During the year additional high schools submitted applications to the DFE to convert.

To support expansion, the trust central services team continues to grow. An interim part-time Chief Finance Officer was appointed in July 2020 and a Catholic Senior Executive Leader was appointed in December 2020.

- 3) Budget Propriety

Trust expansion took place alongside exceptional circumstances in relation to Covid-19. Exceptional costs were incurred, some of which were reclaimable, as a result of the school closures. In addition, the pandemic caused a significant reduction in school generated income such as nursery and extended school provisions, which historically trust schools have relied upon as part of their school budgets. As a result, budgets were carefully monitored to ensure effective financial management.

b. Going concern

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

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review

The majority of income received is obtained from the Education & Skills Funding Agency (ESFA) in the form of recurring General Annual Grant (GAG) funding, the use of which is restricted to the day to day running of the Academy Trust. Total grants received from the ESFA are set out in the statement of financial activities.

During the period, the Academy Trust received £4,923,892 (2019 - £1,129,382) of income before accounting for the balances transferred from Local Authority on conversion of the 5 academies joining the trust in the year. £3,583,547 (2019 - £759,003) of the income was GAG funding, with other grants and income amounting to £1,340,345 (2019 - £370,379).

Expenditure for the period totalled £4,717,919 (2019 - £997,671), including £3,814,142 (2019 - £709,084) of staff related costs supporting the day to day running of the Academy Trust.

In aggregate, during the period income over total expenditure led to a surplus position of £205,973 (2019 - £131,711), excluding movement in the pension fund and the balances transferred on conversion.

The Local Government Pension Scheme (LGPS) liability stands at £3,622,000 (2019 - £544,000).

a. Reserves policy

The trustees review the reserves level annually. This review encompasses the nature of the income and expenditure streams and the need to match income with commitments and the nature of reserves.

It is the academy trust's policy not to carry deficits and where they have arisen, to put in place actions to recover these in the next period where possible. It is the intention of the trustees that each academy carries target reserves between 4 and 8% of annual General Annual Grant income, to ensure protection against both foreseen and unforeseen events with would place a strain on the day-to-day running of the academy.

b. Investment policy

The Academy Trust's funds are generally held in a low risk interest bearing bank current account. The Academy Trust also has the power to delegate the management of investments to a financial expert, under constant review and instruction of the Trustees, for any funds not immediately required, with the object of maximising returns on surplus funds.

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

As the Academy Trust is still in its initial stages of growth there are a number of inherent risks during the early stages of development. The Trust is ensuring a robust organisation structure is in place to face key challenges that arise moving forward.

The principal risks and uncertainties facing the Academy Trust are:

1. Impact of Covid-19

The impact of Covid-19 has been identified as a significant area of risk, which could impact the effectiveness of teaching and learning. In addition, school closures as a result of Covid-19 gives a risk that vulnerable children are missing out on their education. The inability to offer conventional open days as a result of national restrictions also imposes a risk of lower pupil numbers, leading to a funding decline. The Trust has implemented detailed risk assessments to reduce associated risks. The Trust is also ensuring sufficient marketing strategies are in place to ensure school pupil numbers are protected.

2. Budget uncertainty

An area of significant risk is the financial environment of the Trust, given the unpredictability of future funding and costs. The Trust responds to this by ensuring robust financial planning and monitoring procedures are in place and close oversight by the Finance Committee. There is a focus on developing reserves and a programme of estate management planning to avoid unexpected capital costs.

3. Manage the growth of the Trust

During the year, the Trust grew in size by an additional 5 schools. The Trust remains focused on expanding its capacity in terms of personnel, systems and protocols to ensure that Growth is controlled and sustainable.

Fundraising

The Academy Trust doesn't actively fundraise, but appreciates the donations it receives from the public. The Academy Trust does not use any professional fundraiser or commercial participator to carry out activities on the Academy Trust's behalf.

Due to the low level of fundraising the Academy Trust undertakes, the Academy Trust is not a participant of a voluntary scheme for regulating fundraising, or any voluntary standard of fundraising for the activities carried out on behalf of the Academy Trust. Should the Academy Trust at some point in the future undertake a specific fundraising campaign or start to generate more income through fundraising, the trustees will look to sign up to a voluntary fundraising code.

Plans for future periods

The Trust grew significantly in the year, with the addition of 5 primary schools. The Trust continues to grow, including the conversion of Sacred Heart Catholic Primary School on 1 October 2020. Further prospective Trust growth includes Corpus Christi Catholic College and Cardinal Heenan Catholic High School who have both received academy orders.

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, and signed on its behalf by:


John Weaving (Dec 17, 2020 16:37 GMT)

.....
J M Weaving

Trustee

Date: Dec 17, 2020

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that St Gregory the Great 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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the Chief Financial 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 St Gregory the Great 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 4 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Cox, Chair of Trustees	4	4
J M Weaving	4	4
Rev T Wiley	0	0
T Camidge	4	4
C Tobbell	3	4
P Jackson	4	4
J A McDonnell	0	0

The board of Trustees has an excellent range of skills to ensure they fulfil their roles and responsibilities effectively. The trustees have plans in place to review their effectiveness via skills audits and governing body reviews. As part of their regular cycle of meetings, the trustees review their strategic responsibilities for the continual development and improvement of the Academy Trust. As the Academy Trust expands, the Trustees recognise the importance of undertaking a skills audit to ascertain skills and experience, whilst identifying any training required.

Each Academy has an Academy Council and is a sub-committee of the main board of trustees. Its purpose is for the operation of admissions, staffing, standards and working with the local parish and community. The trust board retains responsibility for strategic direction, finance and estates.

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

Reviewing the contracts of schools converting into the trust
Commissioning an independent review of each academy's response to coronavirus contingency planning

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the academy 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 St Gregory the Great Catholic Academy Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The academy trusts 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 and an annual budget and periodic financial reports which are reviewed by trustees
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of significant expenditure
- setting targets to measure financial and other performance
- clearly defined purchasing guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and engaged Auditone as internal auditors, being independent specialist internal auditors to carry out the necessary checks to systems and controls for the year ended 31 August 2020.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trusts financial systems. In particular the checks carried out in the current period included a review of core financial controls including the testing of payroll systems, the testing of income systems, the testing of purchase systems and the testing of control accounts including bank reconciliations. The internal auditor has prepared an annual report to be reviewed by the Audit Committee and any recommendations have been evaluated, reviewed and implemented.

On an annual basis, the internal auditor reports to the board of Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor delivered their programme of work as planned and confirmed there were no material control issues noted during the testing.

Review of effectiveness

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

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

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

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees and signed on their behalf by:

John Weaving
John Weaving (Dec 17, 2020 16:32 GMT)

.....
J M Weaving
Trustee

Date: Dec 17, 2020

A M Cox
A M Cox (Dec 17, 2020 17:52 GMT)

.....
A Cox
Accounting Officer

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

A M Cox
A M Cox (Dec 17, 2020 17:52 GMT)

.....
Angela Cox
Accounting Officer

Date: Dec 17, 2020

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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


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

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

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

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

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


A M Cox (Dec 17, 2020 17:52 GMT)

.....
A Cox
Trustee

Date: Dec 17, 2020

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST (CONTINUED)

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

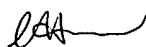
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Lesley Kendrew (Senior statutory auditor)

for and on behalf of

BHP LLP

New Chartford House

Centurion Way

Cleckheaton

Bradford

West Yorkshire

BD19 3QB

Date: Dec 17, 2020

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 6 April 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Gregory The Great Catholic Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of St Gregory The Great Catholic Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Gregory The Great Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 13 June 2017 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

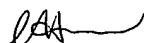
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

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



Lesley Kendrew

BHP LLP
New Chartford House
Centurion Way
Cleckheaton
Bradford
West Yorkshire
BD19 3QB

Date: Dec 17, 2020

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
	Note					
Income from:						
Donations and capital grants	3	851,304	(2,487,972)	547,082	(1,089,586)	70,450
Charitable activities	4	-	4,500,405	-	4,500,405	1,026,877
Other trading activities	5	87,315	-	-	87,315	31,889
Investments	6	495	-	-	495	166
Total income		939,114	2,012,433	547,082	3,498,629	1,129,382
Expenditure on:						
Raising funds		15,366	-	-	15,366	8,585
Charitable activities		1,495	4,658,850	42,208	4,702,553	989,086
Total expenditure		16,861	4,658,850	42,208	4,717,919	997,671
Net income/(expenditure)		922,253	(2,646,417)	504,874	(1,219,290)	131,711
Transfers between funds	17	-	(25,271)	25,271	-	-
Net movement in funds before other recognised gains/(losses)		922,253	(2,671,688)	530,145	(1,219,290)	131,711
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(307,000)	-	(307,000)	(217,000)
Net movement in funds		922,253	(2,978,688)	530,145	(1,526,290)	(85,289)
Reconciliation of funds:						
Total funds brought forward		40,638	(259,827)	96,511	(122,678)	(37,389)
Net movement in funds		922,253	(2,978,688)	530,145	(1,526,290)	(85,289)
Total funds carried forward		962,891	(3,238,515)	626,656	(1,648,968)	(122,678)

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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

The notes on pages 28 to 61 form part of these financial statements.

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10785982

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	335,459	70,780
		<u>335,459</u>	<u>70,780</u>
Current assets			
Debtors	15	1,044,291	113,493
Cash at bank and in hand		1,098,973	396,206
		<u>2,143,264</u>	<u>509,699</u>
Creditors: amounts falling due within one year	16	(505,691)	(159,157)
Net current assets		<u>1,637,573</u>	<u>350,542</u>
Total assets less current liabilities		<u>1,973,032</u>	<u>421,322</u>
Net assets excluding pension liability		<u>1,973,032</u>	<u>421,322</u>
Defined benefit pension scheme liability	24	(3,622,000)	(544,000)
Total net assets		<u><u>(1,648,968)</u></u>	<u><u>(122,678)</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	17	626,656	96,511
Restricted income funds	17	383,485	284,173
		<u>1,010,141</u>	<u>380,684</u>
Restricted funds excluding pension asset	17	1,010,141	380,684
Pension reserve	17	(3,622,000)	(544,000)
Total restricted funds	17	<u>(2,611,859)</u>	<u>(163,316)</u>
Unrestricted income funds	17	<u>962,891</u>	<u>40,638</u>
Total funds		<u><u>(1,648,968)</u></u>	<u><u>(122,678)</u></u>

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

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

The financial statements on pages 23 to 61 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


John Weaving (Dec 17, 2020 16:32 GMT)

J M Weaving
Trustee

Date: Dec 17, 2020

The notes on pages 28 to 61 form part of these financial statements.

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	19	218,708	218,428
Cash flows from investing activities	21	240,195	6,539
Cash flows from financing activities	20	243,864	-
Cash and cash equivalents at the beginning of the year		396,206	171,239
Cash and cash equivalents at the end of the year	22	1,098,973	396,206

The notes on pages 28 to 61 form part of these financial statements

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

St Gregory The Great Catholic Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **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.

- **Donated goods, facilities and services**

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

- **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 a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure

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

- **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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	10%	straight line basis
Furniture and equipment	-	20%	straight line basis
Computer equipment	-	33%	straight line basis
Motor vehicles	-	20%	straight line basis

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 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 and services it must provide.

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 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.

1.12 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. 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 note 16. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 Pensions

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.

1.14 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	14,036	29,028	-	43,064	6,089
Capital Grants	-	-	292,613	292,613	64,361
Transfer from Local Authority on conversion	837,268	(2,517,000)	254,469	(1,425,263)	-
	851,304	(2,487,972)	547,082	(1,089,586)	70,450
Total 2019	539	5,550	64,361	70,450	

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the academy trust's education

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<i>DfE/ESFA grants</i>			
General Annual Grant	3,583,547	3,583,547	759,003
Other DfE/ESFA Grants	690,153	690,153	108,257
Local authority grants	115,257	115,257	9,617
Academies Conversion Grant	50,000	50,000	150,000
Furlough grant funding	15,649	15,649	-
Exceptional item - covid support	45,799	45,799	-
	4,500,405	4,500,405	1,026,877
Total 2019	1,026,877	1,026,877	

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Letting income	1,236	1,236	2,340
Catering income	21,329	21,329	9,440
Insurance	8,682	8,682	-
Trip income	1,077	1,077	6,854
Other income	54,991	54,991	13,255
	87,315	87,315	31,889
Total 2019	31,889	31,889	

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	495	495	166
Total 2019	166	166	

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	15,366	15,366	8,585
Education:					
Direct costs	3,106,119	-	210,081	3,316,200	623,066
Allocated support costs	708,023	211,421	466,909	1,386,353	366,020
	3,814,142	211,421	692,356	4,717,919	997,671
Total 2019	709,084	59,890	228,697	997,671	

ST GREGORY THE GREAT CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	3,316,200	1,386,353	4,702,553	989,086
Total 2019	623,066	366,020	989,086	

Analysis of support costs

	Education 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	708,023	708,023	148,905
Depreciation	42,208	42,208	7,947
Technology costs	19,263	19,263	9,031
Premises costs	211,421	211,421	59,890
Other support costs	267,068	267,068	52,207
Governance costs	138,370	138,370	88,040
	1,386,353	1,386,353	366,020
Total 2019	366,020	366,020	

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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020	2019
	£	£
Operating lease rentals	15,282	2,234
Depreciation of tangible fixed assets	42,208	7,937
Fees paid to auditors for:		
- audit	14,000	8,750
- other services	2,250	1,500
	<u>2,250</u>	<u>1,500</u>

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	2,732,887	529,146
Social security costs	233,538	38,038
Pension costs	835,618	136,755
	<u>3,802,043</u>	<u>703,939</u>
Agency staff costs	12,099	5,145
	<u>3,814,142</u>	<u>709,084</u>

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10. Staff costs (continued)

b. Staff numbers

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

	2020	2019
	No.	No.
Teachers	40	8
Management	9	2
Administration and support	85	16
	134	26

Staff numbers for 2020 have been prorated to reflect the academies that joined during the period.

c. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprises 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 £315,658 (2019 - £165,812).

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11. Central services

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

- Central staffing
- Cluster
- Legal
- Governance
- HR
- School Improvement
- Finance systems
- Procurement
- Health & Safety system
- Internal/external audits
- MIS system (first year only)
- Catholic Care

The academy trust charges for these services on the following basis:

5% of GAG income (reviewed annually)

The actual amounts charged during the year were as follows:

	2020 £	2019 £
St Augustine's	41,914	-
Christ The King	18,772	-
Holy Rosary and St Anne's	24,437	-
Immaculate Heart of Mary	38,170	-
St Paul's	16,989	-
St Urban's	20,122	-
Total	160,404	-

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - *£NIL*).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - *£NIL*).

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13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ending 31 August 2020 was £19,087 (2019: £4,689). The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	57,822	-	22,396	-	80,218
Additions	-	23,520	5,202	23,696	52,418
Transfers on conversion	169,515	18,978	65,976	-	254,469
At 31 August 2020	227,337	42,498	93,574	23,696	387,105
Depreciation					
At 1 September 2019	482	-	8,956	-	9,438
Charge for the year	10,765	5,482	23,591	2,370	42,208
At 31 August 2020	11,247	5,482	32,547	2,370	51,646
Net book value					
At 31 August 2020	216,090	37,016	61,027	21,326	335,459
At 31 August 2019	57,340	-	13,440	-	70,780

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14. Tangible fixed assets (continued)

The academy trust occupies land (including buildings) which are owned by its Diocese of Leeds trustee. The trustees are the providers of the academies on the same basis as when the academies were maintained schools. 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 (and 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. Any development would be undertaken only and in conjunction with the Diocesan Trustees.

15. Debtors

	2020	2019
	£	£
<i>Due within one year</i>		
Trade debtors	150	30
Other debtors	202,034	25,843
Prepayments and accrued income	842,107	87,620
	<u>1,044,291</u>	<u>113,493</u>

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16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	284,759	62,536
Other creditors	5,295	7,545
Accruals and deferred income	215,637	89,076
	<u>505,691</u>	<u>159,157</u>

	2020 £	2019 £
Deferred income at 1 September 2019	14,085	4,370
Resources deferred during the year	145,024	14,085
Amounts released from previous periods	(14,085)	(4,370)
	<u>145,024</u>	<u>14,085</u>

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17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<i>Unrestricted funds</i>						
General Funds - all funds	40,638	939,114	(16,861)	-	-	962,891
<i>Restricted general funds</i>						
General Annual Grant (GAG)	85,362	3,583,547	(3,310,153)	(25,271)	-	333,485
Regional Growth Fund (RGF)	54,796	-	(54,796)	-	-	-
Other restricted funds	33,532	895,886	(929,418)	-	-	-
Academy Conversion Funds	110,483	50,000	(110,483)	-	-	50,000
Pension reserve	(544,000)	(2,517,000)	(254,000)	-	(307,000)	(3,622,000)
	(259,827)	2,012,433	(4,658,850)	(25,271)	(307,000)	(3,238,515)
<i>Restricted fixed asset funds</i>						
Conditional Improvement Fund	67,272	249,252	(5,782)	-	-	310,742
Devolved Formula Capital Grant	29,239	43,361	(12,390)	25,271	-	85,481
Assets Inherited on Conversion	-	254,469	(24,036)	-	-	230,433
	96,511	547,082	(42,208)	25,271	-	626,656
<i>Total Restricted funds</i>	(163,316)	2,559,515	(4,701,058)	-	(307,000)	(2,611,859)
<i>Total funds</i>	(122,678)	3,498,629	(4,717,919)	-	(307,000)	(1,648,968)

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17. Statement of funds (continued)

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

Restricted general funds have been spent in accordance with the terms of the Master Funding Agreement.

The restricted pension fund is in deficit to the value of 3,622,000 as at 31 August 2020, which is in excess of the restricted general funds. However, some of this deficit had been inherited upon conversion to academy status. The trustees will continue to monitor this situation closely.

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

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Christ The King Catholic Academy	163,221	80,000
St Augustine's Catholic Primary School	283,263	-
St Urban's Catholic Primary School	106,647	-
St Paul's Catholic Primary School	214,030	-
Immaculate Heart of Mary Catholic Primary School	243,300	-
Holy Rosary and St Anne's Catholic Primary School	113,875	-
Central Trust	222,040	244,811
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,346,376	324,811
Restricted fixed asset fund	626,656	96,511
Pension reserve	(3,622,000)	(544,000)
	<hr/>	<hr/>
Total	(1,648,968)	(122,678)

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17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Christ The King Catholic Academy	674,717	35,975	145,411	856,103	989,724
St Augustine's Catholic Primary School	860,772	27,683	159,528	1,047,983	-
St Urban's Catholic Primary School	391,723	17,347	71,565	480,635	-
St Paul's Catholic Primary School	309,958	7,458	56,979	374,395	-
Immaculate Heart of Mary Catholic Primary School	765,282	32,121	127,460	924,863	-
Holy Rosary and St Anne's Catholic Primary School	510,900	39,984	139,241	690,125	-
Central Trust	300,790	3,090	(2,273)	301,607	-
Academy trust	3,814,142	163,658	697,911	4,675,711	989,724

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17. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds - all funds	23,948	32,594	(15,904)	-	-	40,638
Restricted general funds						
General Annual Grant	53,910	759,003	(749,947)	22,396	-	85,362
Regional Growth Fund	85,600	-	(30,804)	-	-	54,796
Other restricted funds	11,660	123,424	(101,552)	-	-	33,532
Academy Conversion Funds	-	150,000	(39,517)	-	-	110,483
Pension reserve	(275,000)	-	(52,000)	-	(217,000)	(544,000)
	(123,830)	1,032,427	(973,820)	22,396	(217,000)	(259,827)
Restricted fixed asset funds						
Capital Expenditure from GAG	20,905	-	(7,947)	(12,958)	-	-
CIF	35,495	41,215	-	(9,438)	-	67,272
DFC grant	6,093	23,146	-	-	-	29,239
	62,493	64,361	(7,947)	(22,396)	-	96,511
Total Restricted funds	(61,337)	1,096,788	(981,767)	-	(217,000)	(163,316)
Total funds	(37,389)	1,129,382	(997,671)	-	(217,000)	(122,678)

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18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	335,459	335,459
Current assets	1,468,582	383,485	291,197	2,143,264
Creditors due within one year	(505,691)	-	-	(505,691)
Provisions for liabilities and charges	-	(3,622,000)	-	(3,622,000)
Total	962,891	(3,238,515)	626,656	(1,648,968)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	70,780	70,780
Current assets	199,795	284,173	25,731	509,699
Creditors due within one year	(159,157)	-	-	(159,157)
Provisions for liabilities and charges	-	(544,000)	-	(544,000)
Total	40,638	(259,827)	96,511	(122,678)

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

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of financial activities)	(1,219,290)	131,711
<i>Adjustments for:</i>		
Depreciation	42,208	7,947
Capital grants from DfE and other capital income	(292,613)	(64,361)
Defined benefit pension scheme obligation inherited	2,517,000	-
Defined benefit pension scheme cost less contributions payable	30,000	-
Defined benefit pension scheme finance cost	224,000	52,000
Increase in debtors	(930,798)	(45,962)
Increase in creditors	346,534	137,093
Fixed assets transferred on conversion	(254,469)	-
Cash and cash equivalents transferred on conversion	(243,864)	-
<i>Net cash provided by operating activities</i>	218,708	218,428

20. Cash flows from financing activities

	2020 £	2019 £
Cash and cash equivalents transferred on conversion	243,864	-
<i>Net cash provided by financing activities</i>	243,864	-

21. Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(52,418)	(57,822)
Capital grants from DfE Group	292,613	64,361
<i>Net cash provided by investing activities</i>	240,195	6,539

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22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,098,973	396,206
Total cash and cash equivalents	1,098,973	396,206

23. Conversion to an academy trust

On 1 March 2020 St Augustine's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Gregory The Great Catholic Academy Trust from Leeds City Council and the Diocese of Leeds 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 heading with a corresponding net amount recognised as a net loss in the Statement of financial activities as Expenditure on Charitable activities - 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 Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	73,700	73,700
Other tangible fixed assets	-	-	18,978	18,978
Current assets				
Cash - representing budget surplus on LA funds	233,642	-	-	233,642
Non-current liabilities				
Pension liability	-	(598,000)	-	(598,000)
Net assets/(liabilities)	233,642	(598,000)	92,678	(271,680)

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23. Conversion to an academy trust (continued)

On 1 March 2020 St Urban's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Gregory The Great Catholic Academy Trust from Leeds City Council and the Diocese of Leeds 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 heading with a corresponding net amount recognised as a net loss in the Statement of financial activities as Expenditure on Charitable activities - 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 Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Total funds £
<i>Current assets</i>			
Cash - representing budget surplus on LA funds	110,499	-	110,499
<i>Non-current liabilities</i>			
Pension liability	-	(461,000)	(461,000)
<i>Net assets/(liabilities)</i>	<u>110,499</u>	<u>(461,000)</u>	<u>(350,501)</u>

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23. Conversion to an academy trust (continued)

On 1 March 2020 Immaculate Heart of Mary Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Gregory The Great Catholic Academy Trust from Leeds City Council and the Diocese of Leeds 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 heading with a corresponding net amount recognised as a net loss in the Statement of financial activities as Expenditure on Charitable activities - 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 Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<i>Tangible fixed assets</i>				
Leasehold land and buildings	-	-	13,276	13,276
Other tangible fixed assets	-	-	90,515	90,515
<i>Current assets</i>				
Cash - representing budget surplus on LA funds	184,963	-	-	184,963
<i>Non-current liabilities</i>				
Pension liability	-	(491,000)	-	(491,000)
<i>Net assets/(liabilities)</i>	184,963	(491,000)	103,791	(202,246)

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23. Conversion to an academy trust (continued)

On 1 March 2020 Holy Rosary and St Anne's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Gregory The Great Catholic Academy Trust from Leeds City Council and the Diocese of Leeds 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 heading with a corresponding net amount recognised as a net loss in the Statement of financial activities as Expenditure on Charitable activities - 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 Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<i>Tangible fixed assets</i>				
Leasehold land and buildings	-	-	25,000	25,000
<i>Current assets</i>				
Cash - representing budget surplus on LA funds	117,595	-	-	117,595
<i>Non-current liabilities</i>				
Pension liability	-	(379,000)	-	(379,000)
<i>Net assets/(liabilities)</i>	<u>117,595</u>	<u>(379,000)</u>	<u>25,000</u>	<u>(236,405)</u>

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23. Conversion to an academy trust (continued)

On 1 April 2020 St Paul's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Gregory The Great Catholic Academy Trust from Leeds City Council and the Diocese of Leeds 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 heading with a corresponding net amount recognised as a net loss in the Statement of financial activities as Expenditure on Charitable activities - 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 Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<i>Tangible fixed assets</i>				
Leasehold land and buildings	-	-	33,000	33,000
<i>Current assets</i>				
Cash - representing budget surplus on LA funds	189,596	-	-	189,596
<i>Non-current liabilities</i>				
Pension liability	-	(588,000)	-	(588,000)
<i>Net assets/(liabilities)</i>	<u>189,596</u>	<u>(588,000)</u>	<u>33,000</u>	<u>(365,404)</u>

24. Pension commitments

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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24. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £383,993 (2019 - £49,000).

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.

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24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £254,000 (2019 - £47,000), of which employer's contributions totalled £196,000 (2019 - £36,000) and employees' contributions totalled £58,000 (2019 - £11,000). The agreed contribution rates for future years are 16.4 per cent for employers and 12.5 per cent for employees.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.55	3.35
Rate of increase for pensions in payment/inflation	2.3	2.1
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.3	2.1
Inflation assumption (RPI)	2.9	3.1

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.8	22.2
Females	24.6	25.4
<i>Retiring in 20 years</i>		
Males	22.5	23.2
Females	25.7	27.2

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24. Pension commitments (continued)

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	7,790	1,302
Discount rate -0.1%	8,140	1,354
Mortality assumption - 1 year increase	7,678	1,284
Mortality assumption - 1 year decrease	8,260	1,373
CPI rate +0.1%	8,005	1,338
CPI rate -0.1%	7,925	1,318

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

	At 31 August 2020	At 31 August 2019
	£	£
Equities	3,378,854	608,384
Gilts	421,271	82,320
Corporate bonds	217,150	35,280
Property	186,749	34,496
Cash and other liquid assets	73,831	14,896
Other	65,145	8,624
Total market value of assets	4,343,000	784,000

The actual return on scheme assets was £22,000 (2019 - £64,000).

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

	2020	2019
	£	£
Current service cost	(420,000)	(61,000)
Past service cost	-	(20,000)
Interest cost	(30,000)	(7,000)
Total amount recognised in the Statement of Financial Activities	(450,000)	(88,000)

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24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	1,328,000	957,000
Conversion of academy trusts	5,819,000	-
Interest cost	75,000	27,000
Employee contributions	58,000	11,000
Actuarial losses	284,000	261,000
Benefits paid	(19,000)	(9,000)
Past service costs	-	20,000
Current service costs	420,000	61,000
At 31 August	7,965,000	1,328,000

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

	2020 £	2019 £
At 1 September	784,000	682,000
Conversion of academy trusts	3,302,000	-
Interest income	45,000	20,000
Actuarial (losses)/gains	(23,000)	44,000
Employer contributions	196,000	36,000
Employee contributions	58,000	11,000
Benefits paid	(19,000)	(9,000)
At 31 August	4,343,000	784,000

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25. Operating lease commitments

At 31 August 2020 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	24,842	1,787
Later than 1 year and not later than 5 years	45,991	-
	<u>70,833</u>	<u>1,787</u>

26. Members' liability

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

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27. Related party transactions

Owing to the nature of the 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 a trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Expenditure Related Party Transactions

Bishop Wheeler Catholic Academy Trust - the academy trust has the same 3 members as St Gregory The Great Catholic Academy Trust:

- The academy trust purchased accountancy services from Bishop Wheeler Catholic Academy Trust totalling £Nil (2019: £20,400) during the period. There were no amounts outstanding at 31 August 2020 (2019: £Nil).
- In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook
- The element above £2,500 has been provided 'at no more than cost' and Bishop Wheeler Catholic Academy Trust has provided a statement of assurance confirming this.

Catholic Care (Diocese of Leeds) - the members of St Gregory The Great Catholic Academy Trust are part of the board for Catholic Care:

- The academy trust purchased religious services from Catholic Care totalling £9,675 (2019: £Nil) during the period. There was £1,075 outstanding at 31 August 2020 (2019: £Nil).
- The academy trust made the purchase at arms' length following a competitive tender exercise in accordance with its financial regulations, which the members neither participated in, nor influenced.
- In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook
- The element above £2,500 has been provided 'at no more than cost' and Catholic Care has provided a statement of assurance confirming this.

Diocese of Leeds - the members of St Gregory The Great Catholic Academy Trust are part of the Diocese of Leeds:

- The academy trust purchased religious services from the Diocese of Leeds totalling £13,647 (2019: £Nil) during the period. There were no amounts outstanding at 31 August 2020 (2019: £Nil).
- In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook
- The element above £2,500 has been provided 'at no more than cost' and Diocese of Leeds has provided a statement of assurance confirming this.

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27. Related party transactions (continued)

The Catholic Association of Teachers, Schools and Colleges - the members of St Gregory The Great Catholic Academy Trust are part of the board for The Catholic Association of Teachers, Schools and Colleges:

- The academy trust purchased teaching services from The Catholic Association of Teachers, Schools and Colleges totalling £50 (2019: £Nil) during the period. There were no amounts outstanding at 31 August 2020 (2019: £Nil).
- In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook
- The element above £2,500 has been provided 'at no more than cost' and The Catholic Association of Teachers, Schools and Colleges has provided a statement of assurance confirming this.

N Holt, son of A Holt, a local governor, is employed by the academy trust as a lunchtime assistant. N Holt's appointment was made in open competition and A Holt was not involved in the decision-making process regarding appointment. N Holt is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a governor.

E Esteves, spouse of H Esteves, a local governor, is employed by the academy trust as an after school club assistant. E Esteves' appointment was made in open competition and H Esteves was not involved in the decision-making process regarding appointment. E Esteves is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a governor.

J Browne, spouse of J Browne, a local governor, is employed by the academy trust as a teaching assitant. J Browne's appointment was made in open competition and J Browne was not involved in the decision-making process regarding appointment. J Browne is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a governor.

28. Post balance sheet events

Sacred Heart Catholic Primary School joined the trust on 1 October 2020.