

ST TERESA OF CALCUTTA MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2021

Company Limited by Guarantee
Registration Number: 11844357
(England & Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS

Members	Fr Jonathon Vesey Adam Hardy Deacon David Palmer - Retired 14.4.2021 Eric Kirwan - Appointed 13.4.2021
Trustees	Susan Hughes Sean Devlin Mary Higgins Frances McGarry (Chair of Trustees) Mary Mills John Ryan Andrew Kennedy David Whale
Chief Finance Officer	Collette Burge
Chief Executive Officer/Accounting Officer	Colin Crehan
Principal and Registered Office	St Teresa of Calcutta Multi Academy Catholic Company Archbishop Ilsley Catholic School and Sixth Form 39 Victoria Road Birmingham B27 7XY
Academy Addresses	Holy Trinity Catholic School Oakley Road Small Heath Birmingham B10 0AX Archbishop Ilsley Catholic School and Sixth Form 39 Victoria Road Birmingham B27 7XY Holy Souls Catholic Primary School Mallard Close Acocks Green B27 6BN
Company Registration Number	11844357
Independent Auditor	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their second report together with the financial statements and auditor's report of the charitable company for the period ended 1st September 2020 to 31 August 2021. The trust operates 3 schools: Holy Trinity Catholic School has 684 on roll, Archbishop Ilsey Catholic School and Sixth Form for pupils aged 11 to 18 has 1,043 on roll and Holy Souls Catholic Primary School for pupils aged 4 to 11, has 386 on roll at the school census on October 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The Academy Trust is a company limited by guarantee with no share capital (Registration Number: 11844357) and is 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 Teresa of Calcutta Multi Academy Company are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Teresa of Calcutta Multi Academy Company.

Details of the trustees who served during the year except as noted are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Trustees' Indemnities

St Teresa of Calcutta Multi Academy Company has in place directors and trustees liability insurance indemnity cover to a limit of £5m.

Method of Recruitment and Appointment or Election of Trustees

There are clearly defined and approved procedures for the selection and appointment of trustees which are outlined in the company's Articles of Association. These include application, shortlisting and interview procedures. Consideration is given to the skills of trustees which would enhance the effectiveness of the trust.

Policies and Procedures Adopted for the Induction and Training of Trustees

An induction pack containing relevant documentation needed to undertake the role is provided to all newly appointed trustees. The induction pack describes their role as a trustees and gives some basic information about the academy and the governing body. A range of training is also offered to trustees each year. Training undertaken will depend on their experience. The Academy Trust subscribes to a Governor Development Service to ensure adequate training is obtained.

Organisational Structure

The structure consists of four levels: The Members, The Trustees, The Advisory Education Board and the SLT. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy through the use of budgets and making major decisions about the direction of the academy, capital expenditure and staff appointments.

"The Senior Leadership Team of each school control each school at an executive level, implementing the policies agreed by the Trustees and reporting back to their Local Governing Body and Trustees. Senior Leaders are also responsible for the authorisation of spending and the appointment of staff as laid down in the Scheme of Delegation."

Arrangements for setting pay and remuneration of key management personnel

"When setting pay for key management personnel, the Academy Trust gives consideration to the latest School Teachers' Pay and Conditions provisions. In doing so, it considers the permanent responsibilities of each role, the specific challenges to each role as well as all other relevant considerations. One such element of this is the number of students that the Academy Trust is responsible for. This incorporates the number of students by each Key Stage as well as the learning needs of pupils within each School."

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**Arrangements for setting pay and remuneration of key management personnel (cont'd)**

The pay of key management personnel also reflects the performance of each member of staff on an annual basis.

The school will continue to use external national and sub-national benchmarking analysis to compare its pay structure against that of other schools and academies as it has done in the past.

Trade union facility time

During the year there were no trade union officials represented at the trust.

Connected Organisations, including Related Party Relationships

St Teresa of Calcutta Multi Academy Company was incorporated on 25 February 2019 and became a multi academy trust from 1 May 2019 including under its control Holy Trinity Catholic School, Archbishop Ilsey Catholic School and Sixth Form and Holy Souls Catholic Primary School.

OBJECTIVES AND ACTIVITIES**Objects and Aims**

The Academy Trust's objects are specifically restricted to the following: -

- a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum and meeting the needs of students.

To achieve this, the academy identified the following priorities for the year:-

- To ensure that all pupils reach expected standards of attainment and make at least good and increasingly outstanding progress.
- To develop the learning-centred leadership skills of all staff and governors to a consistently outstanding quality.
- To develop the quality of teaching and learning so that 100% is good or outstanding.
- To develop the skills, performance and capacity of teaching and support staff so that they become reflective practitioners, working to a consistently high standard.
- To ensure that the social and emotional experiences of all learners are positive and rewarding.

Principal Activities

At St Teresa of Calcutta Multi Academy, we work in partnership with young people, parents and carers to ensure that every student will:

- Feel safe, happy and healthy.
- Enjoy high quality learning opportunities, in a school at the leading edge of innovation.
- Feel challenged and inspired to achieve excellence in every aspect of their lives.
- Become confident, enterprising, creative learners, fully equipped for life and work.
- Become fully-rounded and responsible citizens, making a positive contribution to the school, local, national and global community.

Objects, Strategies and Activities

To meet these priorities the academy has adopted a number of strategies and activities that include: -

- To ensure a revised system of whole-school quality assurance and self-evaluation has greater impact on student outcomes.
- "To develop a learning and teaching model to engage all learners and encourage independence."
- To ensure provision is personalised to the needs of all learners.
- To embed high quality schemes of learning to ensure quality first teaching with a clear focus on developing pupils towards independence.
- To further develop intervention, provision and support for learners to enable all to experience success.
- To ensure the effective use of pupil performance data and consequent intervention to improve pupil outcomes.
- To further develop innovative, dynamic and strategic senior leadership and governance.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

Public Benefit

Trustees have consideration to the Charity's Commission's general guidance on public benefit and in particular to its supplementary guidance on education. As noted above, the Academy Trust's objective is to advance for the public benefit education in the United Kingdom.

STRATEGIC REPORT

The trustees present their report together with the financial statements and auditor's report of the charitable company for the period ended 31 August 2021. For this audited period, the trust operated two secondary Catholic schools and one Catholic Primary school: Holy Trinity Catholic School, Archbishop Ilesley Catholic School and Sixth Form and Holy Souls Catholic Primary School.

Dream. Believe. Achieve

St Teresa of Calcutta MAC



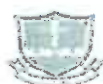
Archbishop Ilesley Catholic School

"Justus et Tenax Propositi – Just and Firm of Purpose"



Holy Souls Catholic Primary School

"a place where we pray together and everyone is important"



Holy Trinity Catholic School

"all are respected as equal and where differences are celebrated"

The ethos and vision of our MAC are inspired by the example of St. Teresa of Calcutta and the virtues shown in her life and work. We expect all who work and study in our schools to: **'DREAM BELIEVE ACHIEVE'**

DREAM of being excellent in all that we do;

BELIEVE that with Gods teaching we will grow;

ACHIEVE our full potential and be the best we can be.

St Teresa of Calcutta MAC is progressing in its journey and will build upon the reputation and achievements of its three schools. Their combined strengths, together with opportunities for working across the MAC, will now support the further recruitment and retention of the very best teachers. Each school maintains its individual character and continues to take an active part in its local networks such as the Central and East Collegiate and Sursum Corda. The MAC is currently collaborating through the Birmingham RADY programme which prioritises the ambition to best support disadvantaged learners. A planned school expansion is close to completion at Holy Trinity. Three additional Primary School have now joined the MAC starting in September 2021: The Rosary Catholic Primary School, St Chad's Catholic Primary School and St Joseph's Catholic Primary School.

The MAC continues to respond to the challenges of this current pandemic. Summer 2021 outcomes were awarded as a result of Centre Assessment Grades and not External Public Examinations. National estimates are awaiting further revision.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

School Name	Numbers of pupils at Key Stage 4	Progress 8 Score & Description	Entering EBacc	Grade 5 or above in English & Maths GCSEs	Attainment 8 Score
Holy Trinity Catholic School	123	0.22	13%	Combined 28.6%	44.48
Archbishop Ilsey Catholic School	201	-0.03	22%	Combined 46%	48.51
Holy Souls Catholic Primary School	N/A				
England – state funded schools		-0.02	38.40%	43%	46.4
England – all schools		-0.04	35.10%	39.90%	44.3

School name	Number of students with an A level exam entry	Progress Score & Description	Average result Point Score	Students completing their main study programme	Achieving AAB or higher in at least 2 facilitating subjects
Holy Trinity Catholic School	N/A				
Archbishop Ilsey Catholic School		+0.67 (Value Added)	31.23	100%	23%
Holy Souls Catholic Primary School	N/A				
England – state funded schools/colleges		0	31.14	95.30%	14.30%
England – all schools/colleges		0	32.39		17.00%

Holy Souls Catholic Primary School: Percentages of those achieving Expected Progress in Year 6: Reading 74% Writing 72% & Maths 70%.

Key Financial Performance Indicators

The trust established a financial budget at the start of the year and then monitored performance against budget during the year. Considerable work is undertaken in forecasting to ensure the continued financial viability of the academy. Trustees play a key role in holding the Senior Leadership Team to account in key financial matters. Key financial performance indicators for Holy Trinity Catholic School, Archbishop Ilsey Catholic School and Sixth Form and Holy Souls Catholic Primary School are detailed below:

Holy Trinity Catholic School	2021	2020
Pupil numbers	665	660
Staff costs as a % of total revenue grant income	83%	86%
Staff costs as a % of total costs	84%	82%
Capital expenditure per pupil	£161	£26

Archbishop Ilsey Catholic School and Sixth Form	2021	2020
Pupil numbers	1,200	1,200
Staff costs as a % of total revenue grant income	84%	89%
Staff costs as a % of total costs	82%	84%
Capital expenditure per pupil	£126	£112

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

Holy Souls Catholic Primary School	2021	2020
Pupil numbers	406	390
Staff costs as a % of total revenue grant income	86%	86%
Staff costs as a % of total costs	84%	80%
Capital expenditure per pupil	£52	£41

Going Concern

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

FINANCIAL REVIEW**Overview**

The principal source of funding for both Academies is the General Annual Grant. Most of the Academy Trusts income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2021, total expenditure of £15,270,000 (2020: £14,724,000), was more than covered by recurrent grant funding from the ESFA and other incoming resources. Excluding restricted fixed assets funds there was a surplus before transfers for the year of £29,000 (2020: £527,000 deficit).

At 31 August 2021 the net book value of fixed assets was £877,000 (2020: £321,000) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the School.

The Local Government Pension Scheme (LGPS) figures as at 31 August 2021 are based on projecting forward the estimated position at 8 January 2018 and assuming that the experience over the year, apart from investment returns, has been in line with the assumptions made at the start of the year.

The estimated FRS 102 deficit at 31 August 2021 is £13,996,000 (2020: £11,830,000). The main reason for the increase in the deficit is because of:

- lower assumed rate of salary increases;
- higher assumed rate of future deferred pension revaluation and pension increases in payment;
- the difference between employer contributions and the service cost over the year;
- asset return over the year different to assumptions;
- assets at the date of admission to the fund were on a partially funded rather than fully funded basis;
- increased longevity of retiring members.

It should be noted that the balance sheet, profit and loss and statement of recognised gains and losses figures will be volatile over time. This is generally because the FRS102 liabilities are largely linked to corporate bond yields whereas the scheme invests a large part of its assets in equities.

Financial and Risk Management Objectives and Policies

The Trust's financial and risk management objectives are documented in its:

- Official budgets
- Scheme of delegation
- Financial regulations
- Risk management policy

These documents are available on request, and particular items which warrant specific disclosure are noted within this annual report.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**Reserves Policy**

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of reserves should be equivalent to at least one month's worth of the General Annual Grant funding. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Any surplus reserves built up by the Academy are earmarked to cover:

- planned capital expenditure;
- improve the quality of learning and social spaces within the school;
- forecast increases in employer contributions to the Local Government Pension Scheme.

Reserves as at 31 August 2021 were £622,000 (2020: £166,000) after deductions had been made for the tangible fixed asset funds of £784,000 (2020: £194,000) and the long term LGPS pension deficit of £13,996,000 (2020: £11,830,000).

Financial Position

The academy held fund balances at 31 August 2021 of £622,000 (2020: £166,000), after allowing for the pension deficit of £13,996,000 (2020: £11,830,000) and restricted fixed asset funds of £784,000 (2020: £194,000); comprising £434,000 (2020: £82,000) of restricted funds and £188,000 (2020: £84,000) of unrestricted general funds.

Investment Policy

All investments are made in accordance with the policy of the trust. The trust's policy on investments are one of minimum risk with all investments being held with the trust's bankers. The trust will nevertheless seek to maximise interest receipts within this arrangement. Investments are made with regard to Charity Commission guidance in relation to investments.

PRINCIPLE RISKS AND UNCERTAINTIES

The board has considered the risks faced by the trust throughout its normal operational business. It has sought to address the risks faced by the trust by establishing appropriate governance and management arrangements, including the appointment of senior staff and other managers, and establishing robust operational policies. The board considers that these arrangements have been effective throughout the year being reported.

The board intends to build on this success by establishing a formal risk management policy, which will formally document the managerial action that is taking place, and should enable future risk management to be more systematic.

At the time of reporting, the trust's identified key risks are:

- The risk of achievement in core subjects being below expectations;
- Loss of personal and sensitive information;
- Changes to rules and regulations;
- The risk of national and local funding reductions; and
- The future financial position of the LGPS pension scheme.

Mitigating action, both current and planned, has been identified to address these risks. This is also true of all other risks that have been formally identified which have a lower level of impact and/or likelihood.

Risk Management

The major risks to which the Academy Trust is exposed have been identified on the academy's Risk Register. Trustees have reviewed the risks to which the Academy Trust is exposed and systems and procedures have been put in place to manage these.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**Fundraising**

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the academy trust approach to fundraising practices is as follows:

- Fundraising for Holy Trinity Catholic School, Archbishop Ilsey Catholic School and Sixth Form and Holy Souls Catholic Primary School will be led and managed by each school. All activities undertaken by each school in relation to fund raising require approval by the relevant Local Governing Body and CEO.
- An annual report from each Local Governing Body to the Board of Trustees will include a description of the activity undertaken, the amounts of money raised, what that money has funded for the school and the impact of that funding on the progress of pupils.

Plans for Future Periods

The deficit position of the Local Government Pension Scheme may result in an increase in employers pension contributions over a period of years. The Trust has revisited its current business plans and budgets and ascertained how the pension costs might impact on the budgets in the future, plans have also been considered concerning increased costs in national insurance as a result of the cessation of contracting out, as well as likely national funding reductions.

Auditors

In so far as the trustees are aware:

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

The auditors, UHY Hacker Young (Birmingham) LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report incorporating a strategic report has not yet been approved by the board of trustees.



Frances McGarry
Chair of Trustees
2 December 2021



Colin Crehan
Accounting Officer
2 December 2021

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that St Teresa of Calcutta Multi Academy Company 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 Colin Crehan, CSEL, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Teresa of Calcutta Multi Academy Company 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 7 times since 1st September 2020. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of a Possible
Frances McGarry	7	7
Sean Devlin	7	7
Mary Mills	7	7
Mary Higgins	7	7
John Ryan	7	7
Sue Hughes	6	7
Andrew Kennedy	7	7
David Whale	6	7

Governance Review

The Board of Trustees of St Teresa of Calcutta Multi Academy Company reviews its governance arrangements on an annual basis. During the year a governance review took place on 24 September 2020.

The Board of trustees has met 7 times this year. In addition to board meetings, effective oversight of the academy trust funds is maintained by:

- regular ad hoc meetings on matters of financial importance;
- review of monthly management accounts;
- CSEL and CFO meet weekly.

Review of Value for Money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. 3 value for money improvements, as required by the Academies Accounts Direction, have been provided below.

1. External Lettings Company - Archbishop Ilsey

Archbishop Ilsey previously engaged Speed One Sports to manage their external lettings at a cost of £35k per annum.

This contract was ended and the lettings managed by a member of the school administration team who was awarded an honorarium of £1.5k per annum for the additional responsibility resulting in a saving of £33.5k.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**Review of Value for Money (cont'd)****2. DRB Bursary Service**

Holy Souls bought into a bursary service from DRB Schools and Academies for the processing of their orders and invoices and finance provision. The service was for one day per week at a cost of £21,059 per annum in 2019/20.

During 2020/21 this was reduced to one day per week saving £7k per annum and has now been phased out completely with the finance processing being undertaken by the MAC central team.

3. Holy Trinity - Update to Telephone System

Holy Trinity are in the process of procuring a new telephone system. Five companies have quoted for the system. A choice has been made to ensure best value on both service and price.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Teresa of Calcutta Multi Academy Company for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The St Teresa of Calcutta Multi Academy Company system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**The Risk and Control Framework (cont'd)**

The board of trustees has considered the need for a specific internal audit function and has continued from 1 September 2020 the reciprocal arrangement with the Business Manager at Kings Norton Girls School as the Internal Auditor. The Internal Auditors role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- payroll;
- income;
- purchasing and procurement;
- general accounting and year end procedures.

On a termly basis, the Internal auditor will visit the trust to review specific areas of the systems of control and on the discharge of the board of trustees financial responsibilities. A report will be provided on a termly basis.

The Internal Auditor delivered their schedule of work as planned and no material control issues were identified.

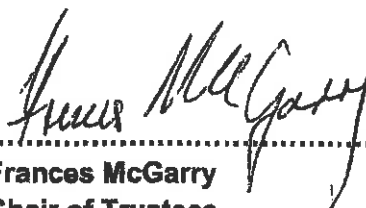
Review of Effectiveness


As Accounting Officer, of St Teresa of Calcutta Multi Academy, the CSEL has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources/Audit Committee.

Approved by order of the members of the board of trustees on 2 December 2021 and signed on its behalf by:


.....
Frances McGarry
Chair of Trustees
2 December 2021


.....
Colin Crehan
Chief Executive Officer
2 December 2021

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2021

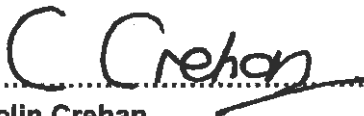
As accounting officer of St Teresa of Calcutta Multi Academy Company, I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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

Financial issues

- Failure to obtain ESFA approval to make an ex-gratia payment of £8,100.



Colin Crehan
Chief Executive Officer
2 December 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who act as trustees of St Teresa of Calcutta Multi Academy Company and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

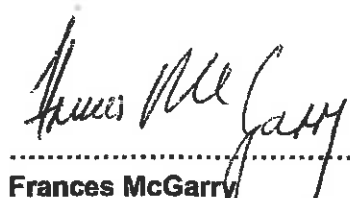
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 2 December 2021 and signed on its behalf by:


.....
Frances McGarry
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST TERESA OF CALCUTTA MULTI ACADEMY COMPANY FOR THE YEAR ENDED 31 AUGUST 2021**Opinion**

We have audited the financial statements of St Teresa of Calcutta Multi Academy Company (the charitable company) for the year ended 31 August 2021 which comprise Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statement, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the St Teresa of Calcutta Multi Academy Company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including 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 2020 to 2021

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the St Teresa of Calcutta Multi Academy Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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 course of 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST TERESA OF CALCUTTA MULTI ACADEMY COMPANY FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the Strategic Report, and the Trustees Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the St Teresa of Calcutta Multi Academy Company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the St Teresa of Calcutta Multi Academy Company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities SORP 2019 and Academies Accounts Direction 2020 and 2021. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the St Teresa of Calcutta Multi Academy Company's net income for the year.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST TERESA OF CALCUTTA MULTI ACADEMY COMPANY FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Education and Skills Funding Agency review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST TERESA OF CALCUTTA MULTI ACADEMY COMPANY FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**Use of our report**

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

**Malcolm Winston****Senior Statutory Auditor****UHY Hacker Young (Birmingham) LLP, Statutory Auditor****9-11 Vittoria Street****Birmingham****B1 3ND****2 December 2021**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST TERESA OF CALCUTTA MULTI ACADEMY COMPANY AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 12 August 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2020 to 2021 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the St Teresa of Calcutta Multi Academy Company and the ESFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the ESFA those matters we are required to state to it 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 Teresa of Calcutta Multi Academy Company and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Teresa of Calcutta Multi Academy Company's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Teresa of Calcutta Multi Academy Company funding agreement with the Secretary of State for Education dated 1 May 2019, and the Academies Financial Handbook extant from 1 September 2020 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants issued by the 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.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST TERESA OF CALCUTTA MULTI ACADEMY COMPANY AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**Approach (con't)**

Summary of the work undertaken was as follows:


- Analytical review of the Academy Trust's general activities are within the Academy Trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Review of the general control environment for the Academy Trust on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the Academy Trust's framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the Academy Trust's delegated authorities;
- Formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or trustees;
- Review of income received in accordance with the activities permitted within the Academy Trust's charitable objectives.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them, except for the item noted below.

Financial issues

- Failure to obtain ESFA approval to make an ex-gratia payment of £8,100.



Reporting Accountant

UHY Hacker Young (Birmingham) LLP

9-11 Vittoria Street

Birmingham

B1 3ND

2 December 2021

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

(Including Income and Expenditure Account)

				Restricted		
			Unrestricted	Restricted	Fixed	
	Note		Funds	General	Asset	Total
			£'000	Funds	Funds	2021
				£'000	£'000	£'000
						Total
						2020
						£'000
Income from:						
Donations and capital grants	3		28	-	289	317
Transferred from local authority on conversion	3 & 30		-	-	446	446
Charitable activities:						
- Funding for the Academy Trust's educational operations	4		-	14,967	-	14,967
Other trading activities	5		102	33	-	135
Investment income	6		-	-	-	-
Total			130	15,000	735	15,865
Expenditure on:						
Raising funds	7		26	-	-	26
Charitable activities:						
- Academy Trust's educational operations	7 & 8		-	15,075	169	15,244
Total	7		26	15,075	169	15,270
Net income/(expenditure)			104	(75)	566	595
Transfers between funds	17		-	(24)	24	-
Other recognised gains and losses						
Actuarial loss on defined benefit pension schemes	28		-	(1,715)	-	(1,715)
Net movement in funds			104	(1,814)	590	(1,120)
Reconciliation of funds						
Total funds brought forward			84	(11,748)	194	(11,470)
Total funds carried forward	17		188	(13,562)	784	(12,590)

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

BALANCE SHEET AS AT 31 AUGUST 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	13	<u>877</u>	<u>321</u>
		<u>877</u>	<u>321</u>
Current assets			
Debtors	14	423	502
Cash at bank and in hand		<u>1,758</u>	<u>953</u>
		<u>2,181</u>	<u>1,455</u>
Current liabilities			
Creditors: Amounts falling due within one year	15	<u>(1,544)</u>	<u>(1,284)</u>
Net current assets		637	171
Total assets less current liabilities		1,514	492
Creditors: Amounts falling due after more than one year	16	(108)	(132)
Net assets excluding pension liability		<u>1,406</u>	<u>360</u>
Defined benefit pension scheme liability	28	(13,996)	(11,830)
Total Net Assets		<u>(12,590)</u>	<u>(11,470)</u>
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	17	784	194
- Restricted income fund	17	434	82
- Pension reserve	17	<u>(13,996)</u>	<u>(11,830)</u>
Total restricted funds		<u>(12,778)</u>	<u>(11,554)</u>
Unrestricted income fund	17	<u>188</u>	<u>84</u>
Total unrestricted funds		<u>188</u>	<u>84</u>
Total Funds		<u>(12,590)</u>	<u>(11,470)</u>

The financial statements on pages 22 to 44 were approved by the trustees and authorised for issue on 2 December 2021 and signed on their behalf by:


 Frances McGarry
 Chair of Trustees

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash provided by operating activities	21	819	935
Cash flows from investing activities	22	10	(120)
Cash flows from financing activities	23	(24)	(24)
Change in cash and cash equivalents in the reporting period		<u>805</u>	<u>791</u>
 Cash and cash equivalents at 31 August 2020	24	953	162
Cash and cash equivalents at 31 August 2021	24	<u>1,758</u>	<u>953</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities : Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Teresa of Calcutta Multi Academy Company meets the definition of a public benefit entity under FRS 102.

Transfer of State Maintained School to a Multi Academy Trust

The transfer of a state maintained schools to St Teresa of Calcutta Multi Academy Company involved the transfer of identifiable assets and liabilities and the operation of the school for nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the Local Authority to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for St Teresa of Calcutta Catholic Multi Academy Company. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding net amount recognised as a net gain/loss in the Statement of Financial Activities and analysed as donations transferred from local authority on conversion. Further details of the transactions are set out in note 30.

Going Concern

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

Income

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

• 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.

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

• 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 receipt is probable and it can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt 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 stock 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'.

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

Expenditure

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

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

Tangible Fixed Assets

Assets costing £500 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.

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

Site improvements	2%
Leasehold land and buildings	2%
Furniture and equipment	25%
Computer equipment and software	33.33%
Motor vehicle	20%

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

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

Where academies are operating under a licence to occupy, the land and buildings are not recognised as fixed assets in the financial statements. This applies to the majority of the land and buildings occupied by St Teresa of Calcutta Multi Academy Company whereby it does not own any of the sites. The schools sites are owned by Birmingham Roman Catholic Diocesan Trustees and are made available to the schools by a Church Supplemental Agreement. Birmingham Roman Catholic Diocesan Trustees have given an undertaking to the Secretary of State that they will not give the multi academy company less than two years notice to terminate the occupation of the land and buildings.

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 instrument, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**Pensions Benefits**

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

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 a multi employer scheme with no underlying assets to assign between employers. Consequently the TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a multi funded 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 net income/(expenditure) are the current service costs and the costs of the scheme introductions, benefit changes, settlements and curtailments.

They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

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

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**Critical areas of judgement**

The critical judgements that the Trustees have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Deprecation rates are based on the expected life of the asset.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021 (See note 17).

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Devolved formula capital grant	-	48	48	47
BCC fixed assets donation	-	446	446	-
Capital donations of DfE lap tops	-	241	241	-
Voluntary donations	28	-	28	91
	28	735	763	138

The income from donations and capital grants was £763,000 (2020: £138,000 net deficit) of which £28,000 (2020: £91,000) was unrestricted, £Nil (2020: £Nil) restricted and £735,000 (2020: £Nil) restricted fixed assets.

4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
DfE/ESFA grants				
General annual grant (GAG) (note 2)	-	12,846	12,846	12,182
Pupil premium	-	982	982	785
Teachers pay grant	-	147	147	144
Teachers pension grant	-	442	442	437
PE and Sports grant	-	19	19	19
Conversion grant	-	49	49	-
Rates relief grant	-	49	49	43
National tutoring programme	-	20	20	-
Year 7 catch up	-	-	-	38
Universal Infant Free School Meals	-	82	82	73
	-	14,636	14,636	13,721
Other Government grants				
Special educational needs grant	-	49	49	14
Pupil premium grant (BCC)	-	25	25	18
Other LA grants (BCC)	-	-	-	106
	-	74	74	138
COVID-19 DfE/ESFA additional funding				
Catch up premium	-	158	158	-
Other DfE/ESFA COVID-19 funding	-	77	77	28
	-	235	235	28
Exceptional Government funding				
Coronavirus Job Retention Scheme grant	-	-	-	-
Coronavirus exceptional support	-	-	-	-
Other Coronavirus funding	-	-	-	-
	-	-	-	-
Other income from the academy trust's educational operations	-	22	22	23
	-	22	22	23
	-	14,967	14,967	13,910

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS (cont'd)

COVID-19 DfE/ESFA additional funding

The academy received £157,420 of funding for catch up premium. Costs incurred in respect of this funding totalled £157,420.

Other DfE/ESFA COVID-19 funding has been received under "exceptional government funding". The funding received for Coronavirus exceptional support covers £76,671 (2020: £27,625) of mass testing, premises, free school meals and additional cleaning costs. These costs are included within notes 7 and 8.

The income from the Academy Trusts's educational operations was restricted.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding is no longer reported under the Other DfE/ESFA grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Lettings	91	-	91	56
Other Income	11	33	44	32
	<u>102</u>	<u>33</u>	<u>135</u>	<u>88</u>

The income from the Academy Trusts's other trading activities was £135,000 (2020: £88,000) of which £102,000 (2020: £88,000) was unrestricted and £33,000 (2020: £Nil) restricted.

6 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2020 £'000
Bank Interest received	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The income from the Academy Trusts's investment income was unrestricted.

7 EXPENDITURE

	Non Pay Expenditure		Total 2021 £'000	Total 2020 £'000
Staff Costs £'000	Premises £'000	Costs £'000		
Expenditure on raising funds				
- Direct costs	-	-	-	-
- Allocated support costs	25	1	26	1
Academy's educational operations				
- Direct costs	10,694	691	11,385	11,263
- Allocated support costs	2,148	614	3,859	3,460
	<u>12,842</u>	<u>1,097</u>	<u>15,244</u>	<u>14,723</u>
	<u>12,867</u>	<u>1,306</u>	<u>15,270</u>	<u>14,724</u>

The expenditure was £15,270,000 (2020: £14,724,000) of which £15,075,000 (2020: £14,390,000) was restricted, £26,000 (2020: £226,000) unrestricted and £169,000 (2020: £108,000) was restricted fixed assets.

	Total 2021 £'000	Total 2020 £'000
Net income/(expenditure) for the year/period includes:		
Operating lease rentals	43	45
Depreciation	169	108
Fees payable to auditor for:		
- audit	10	10
- other services	4	4

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

8 CHARITABLE ACTIVITIES

	Total 2021 £'000	Total 2020 £'000
Direct costs - educational operations	11,385	11,263
Support costs - educational operations	3,859	3,460
	15,244	14,723
Analysis of Support Costs		
Support staff costs	2,148	1,770
Depreciation	169	108
Technology costs	101	166
Premises costs	928	897
Legal costs - other	26	3
Legal costs - conversion	18	-
Other support costs	300	388
Governance	169	128
	3,859	3,460

9 STAFF COSTS

	Total 2021 £'000	Total 2020 £'000
a Staff costs during the year were:		
Wages and salaries	9,024	8,702
Social security costs	917	889
Pension costs	2,887	2,684
	12,828	12,275
Agency staff costs	31	113
Staff restructuring costs	8	-
	12,867	12,388

b Staff severance payments

Included in staff restructuring costs is 1 (2020: Nil) non-statutory/non-contractual severance payments. Individually the payments were £8,100.

c Staff numbers

The average number of persons (including senior management team) employed by the academy during the year ended 31 August 2021 expressed as whole persons was as follows:

	Total 2021 No	Total 2020 No
Charitable Activities		
Teachers	143	142
Administration and support	127	122
Management	25	23
	295	287

d Higher paid staff

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

	No	No
£60,001 - £70,000	7	4
£70,001 - £80,000	2	2
£80,001 - £90,000	-	1
£90,001 - £100,000	2	1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**e Key management personnel**

The key management of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £441,914 (2020:£455,841).

10 CENTRAL SERVICES

St Teresa Calcutta Multi Academy Company has provided the following central services to Holy Trinity Catholic School, Holy Souls Catholic Primary School and Archbishop Ilsey Catholic School and Sixth Form:

- human resources;
- financial services;
- legal services;
- governance services;
- educational support services; and
- accounting services.

St Teresa of Calcutta Multi Academy Company charges for these services a flat percentage of 3.25% of all GAG income.

	Total 2021 £'000	Total 2020 £'000
The actual amounts charged during the year were as follows:		
Holy Trinity Catholic School	138	126
Holy Souls Catholic Primary School	55	55
Archbishop Ilsey Catholic School and Sixth Form	225	215
	<u>418</u>	<u>396</u>

11 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The headteacher and other staff trustees receive remuneration in respect of their contracts of employment as headteacher and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees. The value of trustee's remuneration and other remuneration was as follows:

	2021	2020
Glen Alexander (Catholic Senior Executive Lead and Staff Trustee)		
Remuneration	Nil	£35,000 - £40,000
Employers pension contributions	Nil	£5,000 - £10,000
Colin Crehan (Chief Executive Officer/Accounting Officer and Staff Trustee)		
Remuneration	£95,000 - £100,000	£80,000 - £85,000
Employers pension contributions	£20,000 - £25,000	£15,000 - £20,000

During the year ended 31 August 2021 there were £nil (2020: £126) travel and subsistence expenses reimbursed to the trustees in their role as trustees.

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

12 DIRECTORS AND OFFICERS INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost of the ESFA's RPA scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

13 TANGIBLE FIXED ASSETS

	Site Improvements £'000	Leasehold Land & Buildings £'000	Furniture & Equipment £'000	Computer Equipment £'000	Motor Vehicles £'000	Total £'000
Cost						
At 1 September 2020	36	-	286	108	15	445
Transferred on conversion	-	446	-	-	-	446
Additions	-	-	6	273	-	279
Disposals	-	-	-	-	-	-
At 31 August 2021	<u>36</u>	<u>446</u>	<u>292</u>	<u>381</u>	<u>15</u>	<u>1,170</u>
Depreciation						
At 1 September 2020	2	-	72	50	-	124
Charged in year	-	6	74	86	3	169
Disposals	-	-	-	-	-	-
At 31 August 2021	<u>2</u>	<u>6</u>	<u>146</u>	<u>136</u>	<u>3</u>	<u>293</u>
Net book value						
At 31 August 2021	<u>34</u>	<u>440</u>	<u>146</u>	<u>245</u>	<u>12</u>	<u>877</u>
At 31 August 2020	<u>34</u>	<u>-</u>	<u>214</u>	<u>58</u>	<u>15</u>	<u>321</u>

	2021 £'000	2020 £'000
14 DEBTORS		
Trade debtors	3	5
VAT recoverable	73	65
Prepayments and accrued income	322	402
Other debtors	25	30
	<u>423</u>	<u>502</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Trade creditors	124	80
Accruals	112	129
Deferred income	295	89
Salix Loans	24	24
Other creditors	989	962
	<u>1,544</u>	<u>1,284</u>
Deferred Income		
Deferred income at 1 September 2020	89	40
Resources deferred in the year	295	89
Amounts released from previous years	(89)	(40)
Deferred income at 31 August 2021	<u>295</u>	<u>89</u>

At the balance sheet date the academy was holding funds received in advance for 2021/22 for UIFSM £23,212 (2020: £30,215), BCC Collegiate funding £212,700 (2020: £Nil), rates relief £24,463 (2020: £24,909), conversion grant £25,782 (2020: £Nil) and school trips £9,133 (2020: £34,059).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Creditors include amounts not wholly repayable within 1 year as follows:

	2021	2020
	£'000	£'000
Salix loan	108	132

In September 2018 Archbishop Ilsley Catholic School took out an ESFA approved, interest free Salix loan of £191,777 payable over 8 years. As at 31 August 2021, there is an amount outstanding included in creditors falling due within one year of £23,972 (2020: £23,972). There is an amount included in creditors falling due after more than one year of £107,875 (2020: £131,847).

17 FUNDS

The income funds of the academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2020 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General annual grant (GAG) (note i)	36	12,846	(12,440)	(24)	418
DFE/ESFA grants (note ii)	-	-	-	-	-
Pupil Premium (note iii)	-	982	(982)	-	-
Conversion grant (note ii)	-	49	(49)	-	-
Rates relief	-	49	(49)	-	-
PE & Sports Grant - ESFA	-	19	(19)	-	-
Teacher Pay Grant	-	147	(147)	-	-
Teachers Pension Grant	-	442	(442)	-	-
Universal Infant Free School Meals	-	82	(82)	-	-
National tutoring programme	-	20	(20)	-	-
Coronavirus Pupil Catch Up	-	158	(158)	-	-
Other Coronavirus Funding Support	-	77	(77)	-	-
Pupil premium - LA (note iii)	-	25	(25)	-	-
SEN - LA (note iv)	-	49	(49)	-	-
Other grants (note v)	-	22	(22)	-	-
Insurance claim (note xii)	23	33	(56)	-	-
School fund (note vi)	23	-	(7)	-	16
	82	15,000	(14,624)	(24)	434
Restricted fixed asset funds					
Fixed assets donation (note vii)	74	446	(86)	24	458
DFE/ESFA capital grants (note viii)	81	48	(23)	-	106
Capital expenditure from GAG	39	-	(11)	-	28
ESFA donated assets	-	241	(49)	-	192
	194	735	(169)	24	784
Restricted pension scheme liability					
Pension reserve (note ix)	(11,830)	-	(451)	(1,715)	(13,996)
	(11,830)	-	(451)	(1,715)	(13,996)
Total restricted funds	(11,554)	15,735	(15,244)	(1,715)	(12,778)
Unrestricted funds					
Unrestricted funds	48	130	(26)	-	152
LA prior year surplus (note x)	36	-	-	-	36
Total unrestricted funds	84	130	(26)	-	188
Total funds	(11,470)	15,865	(15,270)	(1,715)	(12,590)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

17 FUNDS (cont'd)

Notes

- i) General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2021. (see note 2)
- ii) Other grants received from the ESFA/DfE during the year to support with the financial needs of the Academy during the year.
- iii) Pupil Premium grant supports children from low income families placed at the academy.
- iv) Special needs grant from BCC has been used to support pupils with learning or behavioural issues by providing teaching and teaching assistant support.
- v) Other grants, mainly from BCC, has been used to improve skills for employment and behaviour in school.
- vi) School funds are contributions received from parents which are used to support the Academy Trust's activities.
- vii) The gross transfer from the restricted general fund to the Salix loan fund of £24,000 (2020: £24,000) represents the payments against the loan balance during the period.
- viii) Restricted fixed assets were funded by government grants and by BCC donating fixed assets.
- ix) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 28).
- x) Surplus cash was transferred from BCC upon conversion to academy status.

	Balance at 1 September 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General annual grant (GAG) (note i)	159	12,182	(12,242)	(63)	36
DFE/ESFA grants (note ii)	-	1,539	(1,539)	-	-
Start up grant (note ii)	25	-	(25)	-	-
Other government grants - (note v)	-	138	(138)	-	-
Other grants (note xii)	-	51	(28)	-	23
School fund (note vi)	59	-	(36)	-	23
	<u>243</u>	<u>13,910</u>	<u>(14,008)</u>	<u>(63)</u>	<u>82</u>
Restricted fixed asset funds					
Fixed assets donation (note vii)	143	-	(93)	24	74
DFE/ESFA capital grants (note viii)	46	47	(12)	-	81
Capital expenditure from GAG	-	-	(3)	42	39
	<u>189</u>	<u>47</u>	<u>(108)</u>	<u>66</u>	<u>194</u>
Restricted pension scheme liability					
Pension reserve (note ix)	(10,479)	-	(382)	(969)	(11,830)
	<u>(10,479)</u>	<u>-</u>	<u>(382)</u>	<u>(969)</u>	<u>(11,830)</u>
Total restricted funds	(10,047)	13,957	(14,498)	(966)	(11,554)
Unrestricted funds					
Unrestricted funds	15	179	(143)	(3)	48
LA prior year surplus (note x)	119	-	(83)	-	36
Total unrestricted funds	<u>134</u>	<u>179</u>	<u>(226)</u>	<u>(3)</u>	<u>84</u>
Total funds	<u>(9,913)</u>	<u>14,136</u>	<u>(14,724)</u>	<u>(969)</u>	<u>(11,470)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

17 FUNDS (cont'd)

TOTAL FUNDS ANALYSIS BY ACADEMY

Fund balances at 31 August 2021 were allocated as follows:

	Total 2021 £'000	Total 2020 £'000
Holy Trinity Catholic School	287	45
Holy Souls Catholic Primary School	139	92
Archbishop Ilsey Catholic School and Sixth Form	105	(49)
Central Function	91	78
Total before fixed assets and pension reserve	622	166
Restricted fixed assets fund	784	194
Pension reserve	(13,996)	(11,830)
Total	(13,212)	(11,636)
	(12,590)	(11,470)

TOTAL COST ANALYSIS BY ACADEMY

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

Academies	Teaching & Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (exc Depn) Total £'000	Total £'000
Holy Trinity Catholic School	3,424	687	195	408	4,714
Holy Souls Catholic Primary School	1,461	349	64	195	2,069
Archbishop Ilsey Catholic School and Sixth Form	5,732	1,011	422	699	7,864
Central Function	77	126	10	241	454
Academy Trust	10,694	2,173	691	1,543	15,101

Expenditure incurred by each academy during the year ended 31 August 2020 was as follows:

Academies	Teaching & Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (exc Depn) Total £'000	Total £'000
Holy Trinity Catholic School	3,298	557	172	498	4,525
Holy Souls Catholic Primary School	1,434	286	55	294	2,069
Archbishop Ilsey Catholic School and Sixth Form	5,833	789	215	819	7,656
Central Function	53	138	-	175	366
Academy Trust	10,618	1,770	442	1,786	14,616

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	School Fund Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	-	877	877
Current assets	188	-	1,938	16	39	2,181
Current liabilities	-	-	(1,520)	-	(24)	(1,544)
Non current liabilities	-	-	-	-	(108)	(108)
Pension scheme liability	-	(13,996)	-	-	-	(13,996)
	188	(13,996)	418	16	784	(12,590)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS (cont'd)

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	School Fund Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	-	321	321
Current assets	87	-	1,316	23	29	1,455
Current liabilities	-	-	(1,260)	-	(24)	(1,284)
Non current liabilities	-	-	-	-	(132)	(132)
Pension scheme liability	-	(11,830)	-	-	-	(11,830)
	<u>87</u>	<u>(11,830)</u>	<u>56</u>	<u>23</u>	<u>194</u>	<u>(11,470)</u>

19 CAPITAL COMMITMENTS

Contracted for, but not provided in the financial statements

2021 £'000	2020 £'000
Nil	Nil
<u>Nil</u>	<u>Nil</u>

Authorised by trustees, but not yet contracted

20 COMMITMENTS UNDER OPERATING LEASES

Operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 Other £'000	2020 Other £'000
Operating leases which expire:		
- Within one year	30	43
- Within two to five years	37	67
	<u>67</u>	<u>110</u>

21 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £'000	2020 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	595	(588)
Adjusted for:		
Depreciation (note 13)	169	108
Land and buildings transferred from local authority (note 30)	(446)	-
Lap tops provided by DfE	(241)	-
Capital grants from DfE and other capital income	(48)	(47)
Interest receivable	-	-
Defined benefit pension scheme cost less contributions payable (note 28)	268	190
Defined benefit pension scheme finance cost (note 28)	183	192
Decrease in debtors	79	28
Increase in creditors	260	1,052
Net cash provided by operating activities	<u>819</u>	<u>935</u>

22 CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £'000	2020 £'000
Interest received	-	-
Purchase of tangible fixed assets	(38)	(167)
Capital grants from DfE/ESFA	48	47
Net cash provided by/(used in) investing activities	<u>10</u>	<u>(120)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

23 CASH FLOWS FROM FINANCING ACTIVITIES

	2021	2020
	£'000	£'000
Repayments of borrowing	(24)	(24)
Cash inflows from new borrowing	-	-
Net cash used in financing activities	(24)	(24)

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 Aug	At 31 Aug
	2021	2020
	£'000	£'000
Cash in hand and at bank	1,758	953
Total cash and cash equivalents	1,758	953

25 ANALYSIS OF CHANGES IN NET DEBT

	At 1 September	Cash	At 31 Aug
	2020	Flows	2021
	£'000	£'000	£'000
Cash at bank	953	805	1,758
Overdraft	-	-	-
	953	805	1,758
Loans within one year	(24)	-	(24)
Loans within more than one year	(132)	24	(108)
Net Debt	797	829	1,626

26 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the academy's site and premises and other assets held for the purpose of the academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

27 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.

28 PENSION AND SIMILAR OBLIGATIONS

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

The total pension cost to the Academy during the year ended 31 August 2021 was £2,887,000 (2020: £2,684,000) of which £1,491,000 (2020: £1,461,000) relates to the TPS and £1,396,000 (2020: £1,223,000) relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS relates to the period 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £227,309 were payable to the schemes at 31 August 2021 (2020: £222,536) and are included within other creditors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

28 PENSION AND SIMILAR OBLIGATIONS (cont'd)**Teachers' Pension Scheme****Introduction**

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 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% administration levy)
- 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 employers pension costs paid to TPS in the period amounted to £1,491,000 (2020: £1,461,000).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in a separate trustee administered funds. The total contributions made for the year ended 31 August 2021 was £1,540,000 (2020: £1,364,000) of which employers contributions totalled £1,396,000 (2020: £1,223,000) and employees contributions totalled £144,000 (2020:£141,000). The agreed employers contributions for future years are 22.3% (2020: 22.3%) for Archbishop Ilsey, 22.3% (2020: 22.3%) for Holy Souls and 22.3% (2020:22.3%) for Holy Trinity. The agreed contributions for employees are 6.9% (2020:6.9%).

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 liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	At 31 August 2021 % per annum	At 31 August 2020 % per annum
Discount rate	1.7%	1.6%
Salary increases	3.9%	3.3%
Pension increase	2.9%	2.3%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 August 2021 Approx % increase to Employers Liability	At 31 August 2020 Approx % increase to Employers Liability
Discount rate reduced by 0.1% per annum	216	375
Assumed pension increased by 0.1% per annum	180	188
Salary growth increased by 0.1% per annum	40	69

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

	2021 years	2020 years
Longevity at age 65 retiring today		
- Men	21.6	21.9
- Women	24.0	24.1
Longevity at age 65 retiring in 20 years		
- Men	23.4	23.8
- Women	25.8	26.0

The Academy's share of the assets in the scheme were:

	Fair value at 31 Aug 2021 £'000	Fair value at 31 Aug 2020 £'000
Equity instruments	2,238	1,210
Debt instruments	513	317
Property	258	162
Cash	147	143
Other	513	321
Total market value of assets	3,669	2,153
Present value of scheme liabilities		
- Funded	(3,669)	(2,153)
- Unfunded	(13,996)	(11,830)
Total liabilities	(17,665)	(13,983)
Deficit in the scheme	(13,996)	(11,830)

The actual return on the scheme assets in the year was £469,000 (2020: £427,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

28 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Amounts recognised in the Statement of Financial Activities	2021 £'000	2020 £'000
Current service cost	1,213	1,031
Interest income	(44)	(23)
Interest cost	227	215
Total operating charge	1,396	1,223

	2021 £'000	2020 £'000
Movement in deficit during the period		
Deficit in the scheme at 1 September 2020	11,830	10,479
Movement in year:		
- Employer service cost (net of employee contributions)	1,213	1,031
- Employer contributions	(945)	(841)
- Expected return on scheme assets	(44)	(23)
- Interest cost	227	215
- Actuarial losses	1,715	969
Deficit in the scheme at 31 August 2021	13,996	11,830

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

	2021 £'000	2020 £'000
Scheme liabilities at 1 September 2020	13,983	11,230
Current service cost	1,213	1,031
Interest cost	227	215
Contributions by scheme participants	144	141
Benefits paid	(42)	(7)
Actuarial losses	2,140	1,373
Scheme liabilities at 31 August 2021	17,665	13,983

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

	2021 £'000	2020 £'000
Fair value of scheme assets at 1 September 2020	2,153	751
Expected return on scheme assets	44	23
Actuarial gains	425	404
Contributions by employer	945	841
Benefits paid	(42)	(7)
Contributions by scheme participants	144	141
Fair value of scheme assets at 31 August 2021	3,669	2,153

The estimated value of employers contributions for the year ended 31 August 2022 is £907,000 (2020: £885,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

29 RELATED PARTY TRANSACTIONS

Mr G Alexander (Trustee of St Teresa of Calcutta's Board) is a trustee of Newman University. St Teresa takes on trainees from the University. Income of £nil (2020: £3,080) was received during the year and the balance outstanding at 31 August 2021 was £nil.

The Archdiocese of Birmingham is a sponsoring organisation of St Teresa of Calcutta MAC with 3 members of the school board also members of the Archdiocese. St Teresa of Calcutta MAC buys educational services from Archdiocese of Birmingham as part of a service level agreement. Membership for the year totalled £7,916 (2020: £9,178) and other services totalling £2,703 (2020: £2,151) and the balance outstanding at 31 August 2021 was £nil (2020: £nil).

30 CONVERSION TO AN ACADEMY TRUST

On 1 May 2019 Holy Trinity Catholic School, Holy Souls Catholic Primary School and Archbishop Ilsey Catholic School converted to Academy status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to the St Teresa of Calcutta Multi Academy Company from Birmingham City Council for nil consideration.

The transfers have been accounted for as a combination that is in subsistence a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain/(loss) in the Statement of Financial Activities as donations transferred from local authority on conversion.

Further to a desk top valuation undertaken by Birmingham City Council on 12 March 2021, the following land and buildings transferred from Birmingham City Council on 1 May 2019 which had previously not been valued, were included in the financial records of St Teresa of Calcutta Multi Academy Company.

	£
Holy Trinity Catholic School - playing fields	34,200
Holy Souls Catholic Primary School - caretakers house	218,730
Archbishop Ilsey Catholic School - playing fields	193,050
	<u>445,980</u>

The following tables sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

Holy Trinity Catholic School	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds
	£'000	£'000	£'000
Tangible fixed assets - valuation 12 March 2021	-	-	34
Tangible fixed assets	-	-	85
Budget surplus on LA funds	12	-	40
LGPS pension deficit	-	(3,103)	-
Net assets/(liabilities)	<u>12</u>	<u>(3,103)</u>	<u>159</u>

The above net assets/liabilities include £52,000 that were transferred as cash.

From 1 May 2019, during the year, the net assets/liabilities were transferred from Birmingham City Council to St Teresa of Calcutta Multi Academy Company.

Holy Souls Catholic Primary School	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds
	£'000	£'000	£'000
Tangible fixed assets - valuation 12 March 2021	-	-	219
Tangible fixed assets	-	-	34
Budget surplus on LA funds	26	-	30
LGPS pension deficit	-	(2,239)	-
Net assets/(liabilities)	<u>26</u>	<u>(2,239)</u>	<u>283</u>

The above net assets/liabilities include £56,000 that were transferred as cash.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

30 CONVERSION TO AN ACADEMY TRUST (cont'd)

From 1 May 2019, during the year, the net assets/liabilities were transferred from Birmingham City Council to St Teresa of Calcutta Multi Academy Company.

Archbishop Ilsey Catholic School	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000
Tangible fixed assets - valuation 12 March 2021	-	-	193
Tangible fixed assets	-	-	88
Budget surplus on LA funds	126	-	60
LGPS pension deficit	-	(4,407)	-
Salix Loan			(192)
Net assets/(liabilities)	126	(4,407)	149

The above net assets/liabilities include £186,000 that were transferred as cash.

From 1 May 2019, during the year, the net assets/liabilities were transferred from Birmingham City Council to St Teresa of Calcutta Multi Academy Company.

31 AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the trust received £24,127 (2020: £19,302) and disbursed £19,957 (2020: £11,509) from the fund. An amount of £11,963 (2020: £7,793) is included in other creditors relating to the undistributed funds that is repayable to the ESFA.

32 EVENTS AFTER THE END OF THE REPORTING PERIOD

On the 1 September 2021 The Rosary Catholic Primary School, St Chad's Catholic Primary School and St Joseph's Catholic Primary School converted to Academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the St Teresa of Calcutta Multi Academy Company from Birmingham City Council for nil consideration.

There are no further material adjusting or non adjusting events arising after the balance sheet date.