

Company Registration Number: 07728054 (England & Wales)

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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MOTHER TERESA CATHOLIC ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Rt. Rev Philip Anthony Egan
Rev James McGrath
Rev Cannon Dominic James Golding
Rev Canon Michael Francis Dennehy
Rev Dr Stephen David Morgan
Dr Campbell McCafferty CBE

Trustees

M C McCafferty, Parent Trustee
P J Sunta (appointed 1 September 2020)
D A Crutchley (nee McNeill), Foundation Governor (resigned 1 September 2020)
Father A Glayshe, Foundation Governor
S P Greze, Parent Trustee Foundation Governor
S Harris, Foundation Governor (resigned 1 September 2020)
W James, Executive Principal and Accounting Officer (resigned 1 September 2020)
D Kenny, Foundation Governor (resigned 1 September 2020)
P Keogh, Foundation Governor
D Paterson, Foundation Governor
A Peirone, Foundation Governor
R Whittle, Foundation Governor (resigned 1 September 2020)
P Benton, Chair (appointed, resigned 1 September 2020)
P Alejandro (resigned 1 September 2020)
Rev P J Smith (appointed 10 January 2020, resigned 1 September 2020)
R Fridge, Head Teacher (resigned 1 September 2020)

Company registered number

07728054

Company name

Mother Teresa Catholic Academy Trust

Registered office

St Joseph's Catholic Primary School
Bridge Road
Aldershot
Hampshire
GU11 3DD

Principal operating office

St Joseph's Catholic Primary School
Bridge Road
Aldershot
Hampshire
GU11 3DD

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Company secretary

J Westwood

Senior management team

W James, Executive Principal and Accounting Officer

D Crutchley, Head Teacher

L Williams, Senco

R Nash, EYFS

E Render, Phase Leader

M Geen, Phase Leader

A Smith, Phase Leader

R Turner, Deputy Head

L Larcher, Deputy Head

M Sadie, Head Teacher

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent auditors

Wise & Co
Chartered Accountants and Statutory Auditors
Wey Court West
Union Road
Farnham
Surrey
GU9 7PT

Bankers

Lloyds TSB Bank plc
75 Castle Street
Farnham
Surrey
GU9 7LT

MOTHER TERESA CATHOLIC ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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

Since the academy qualifies as small under section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The Trust was incorporated in 2011 and operates as an academy for pupils aged 4-11. The Trust comprises of two schools: St. Joseph's Catholic Primary School in Aldershot with a net capacity of 480 and (NOR 480) and St. Anne's Catholic Primary School in Basingstoke has a capacity of 240 and (Nor 228).

Structure, governance and management

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a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the Academy Trust.

The Trustees of Mother Teresa Catholic Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Mother Teresa Catholic Academy Trust.

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

The principal regulator of the Academy is the Department for Education (DfE). The Education and Skills Funding Agency (ESFA) carries out the role of the principal regulator on behalf of the DfE.

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2m on any one claim and the cost for the year ended 31 August 2020 is included in the overall insurance cost.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the academy trust is the responsibility of the Trustees who are elected and Co-Opted under the terms of the Trust Deed. There are eight Foundation Trustees who are appointed by the members through the Diocese of Portsmouth, two staff members elected by the school staff and two parent members elected by the parents.

e. Policies adopted for the induction and training of Trustees

Trustees are instructed to follow the Code of Conduct issued annually. New Trustees are provided with a mentor during their first year of their term of office.

f. Organisational structure

The Trust is led by an Executive Principal supporting senior leaders within individual schools. The leadership Team consisting of the Head Teacher and senior members of staff. The Leadership Team is responsible for the operation of the school adhering to policies and procedures determined by the governing body/Trustees or the Executive Principal.

The Executive Principal has delegated spending authority as detailed and published by the governing body/Trustees. Some of the Executive Principal's delegated authority will be delivered to members of the Leadership Team and coordinators within limits allocated.

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

Performance management is undertaken each year, holding senior leaders to account. Arrangements for setting pay and remuneration are set out in the pay policy.

h. Trade Union Facility Time

The Academy has no employees who were relevant Union officials during the period ending 31st August 2020.

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

Objectives and activities

a. Objects and aims

The principal objective and activity of the Academy is the operation of both schools to provide Catholic education for children of different abilities between the ages of 4 to 11. The schools are inclusive, Catholic Primary Schools who welcome applications from all pupils, giving priority to Catholic families as outlined by the LGB respective published admissions policy.

In accordance with the articles the Academy's objective is 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, carry on, managing and developing Catholic schools designated as such.

In accordance with the articles of association, the Academy has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, among other things, the basis for admitting students to the academy, and that the curriculum should comply with the substance of the national curriculum with emphasis on design and the built environment and their principal applications.

b. Objectives, strategies and activities

Maintain the objectives of the company.

Activities for Achieving Objectives

- The future development's overall focus was sponsoring our new school, St. Anne's in Basingstoke that joined the trust on 01.10.2019 **Achieved**
- There was a reconstitution of the Directors of the company **Achieved from 01.09.20**
- St Joseph's Child Care Group continues to support St Joseph's School and agreed a donation of £100,000. The funds were transferred to the school in the 2019/20 financial year. The school is grateful to the Child Care Group for its continued support as is the Mother Teresa Catholic Academy Trust. **Achieved**

c. Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

d. Main activities undertaken to further the charity's purpose for public benefit

The Trust has become a sponsoring academy for St. Anne's Catholic Primary School in Basingstoke.

Outcomes at the end of KS2 for pupils at St. Joseph's are again in the highest 2% of schools in England for progress. This has been recognized by the Schools Minister Nick Gibb.

Outcomes at the end of KS2 for pupils at St Anne's show significant improvement from the previous year.

Strategic report

Achievements and performance

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

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

The academy's key financial performance indicators are shown in the review of activities section below.

b. Going concern

After making appropriate enquiries, the Governing Body 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.

c. Promoting the success of the company

The trust promotes the success of the company by maintaining a good working relationship with pupils, parents, staff, outside agencies, suppliers, and the wider community, this is evidenced by the ethos and mission statement of the trust. The trust endeavors to be environmentally conscious in purchasing recyclable products and its use of technology.

The trust's aims to maintain high standards is evident in the results achieved by our students and the staff that remain within the company for the most part for a long term basis.

The guiding principle is to recognise the uniqueness of both schools within the trust for the benefit of all.

Our fundamental Catholic ethos underpins all the work that we do.

d. Review of activities

During the year the Academy achievements were as follows:

1. Maintain the very high standards currently being achieved by pupils in St. Joseph's School at the end of Year 2 and Year 6.
2. Significantly improve the standards being achieved by pupils in St. Anne's School.

Covid

The trust will have experienced a loss of income during the lockdown period in relation the hiring of facilities being severely impacted as well as donations from the school fundraisers which could not take place.

The trust managed extremely well during the Spring 2020 lockdown opening the school to all key workers that requested spaces. The school did not use volunteers and managed to put most staff on a rota basis ensuring that all year groups/bubbles were secure and ratios maintained. Both schools were able to welcome the full range of pupils back to school including the very important transition for new reception children. Detailed and regularly updated risk assessments ensured the ongoing safety of pupils, staff and parents. Staff across both schools should be commended for their professionalism and commitment to the individual schools and the trust as a whole.

The safety measure put in places had an impact on the numbers of hours teaching being reduced somewhat. The staff at the trust coped extremely well under the circumstances.

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

Strategic report (continued)

Achievements and performance (continued)

e. Fundraising activities/ income generation

The Trust continue to support a number of charities during the coming academic year . Our principal charity will always be CAFOD. School Committees are responsible for choosing charities annually. We will undertake a review of all the Trusts generated income in the next academic year.

Financial review

a. Reserves policy

The Trustees' intention is not to keep any reserves that are greater than 5% of an in year school budget. However it reserves the right to allocate reserved expenditure for larger projects. These projects are approved by the Trustees at Full Board Meetings.

b. Investment policy

The trust operate current account and received minimal interest, Income received in the year is ued for the benefit of the pupils at the time.

c. Principal risks and uncertainties

The major risks to which the Trust is exposed are: Shortfall in Government funding, increased costs associated with Covid 19.

Fundraising

Annually school committees decide which charities they will support during the course of the year. We do not work with professional fundraisers. We conform to recognised standards and all fundraising is maintained by the pupil welfare sub-committees, which also deals with any fundraising complaints. We are mindful of the level of fundraising throughout the year so it does not burden parents with persistent requests.

Plans for future periods

Future developments

- Reconstitution of the Trust's Members
- Appointment of 6 Foundation Directors
- Appointment of 2 Local Governing Bodies with delegated powers
- New Trust Scheme of delegation
- New leadership structure at St. Anne's Catholic Primary School
- Maintain academic standards at St. Joseph's Catholic Primary School
- Improve academic standards at St. Anne's Catholic Primary School
- Propose a long term future for the teaching school's replacement (Training School)
- Undertake H & S audit at St. Anne's Catholic Primary School with action plan
- Undertake skills audit and action plan for LGB at St. Anne's Catholic Primary School

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

Future developments (cont)

- Successfully navigate the current Covid 19 pandemic by continually following government guidelines
- Ensure the financial reporting system for the Trust (PS Financials) continues to be effective in allowing Trust Directors and the LGB to maintain financial probity
- Appoint external independent Responsible officers

Financial risk management objectives and policies

The main financial risks, to which the Trust is exposed is exposed, taking account of the mitigations in place, relate to the risk of an income shortfall due to the likelihood of further government spending reductions affecting our general grants. In addition increased cost arising from Covid 19.

A risk also arises in relation to the defined benefit pension scheme in which the academy currently has a deficit of £1,613,000; this is being addressed through additional contributions.

The Trustees are reviewing all financial and operational policies and combining the risks and objectives into a risk matrix.

Principal funding

The academy's total incoming resources for the year ended 31 August 2020 amounted to £3,562,758. This included a net deficit of £319,531 on the conversion of St Anne's in the year.

In this the eighth year of operation of the Academy, General Annual Grant (GAG) funding totalling £2,553,178 was received. The remaining income comprised pupil premium funding £84,690, funding for Universal Free School Meals of £118,924, other DfE/ESFA funding totalling £329,670, Teaching School grant funding of £263,740, and other government grants totalling £65,316. Additionally, other income of £430,899 was received together with donations totalling £108,557 and interest receivable £486.

In addition we accrued an amount of £35,981 for COVID claims submitted to the Government in July 2020 for additional work taken up by staff during the two holiday period in the Spring 2020 Lockdown. These funds were received into the trust in September 2020.

At 31 August 2020, the net book value of fixed assets was £247,347 and depreciation of £99,253 has been charged in the financial statements.

The main GAG and other grant-related expenditure have been funded through in-year income.

The Academy held fund balances at 31 August 2020 of -£1,012,465 of which -£1,613,000 is the LGPS restricted pension fund, £7,135 are restricted in nature and £346,053 is unrestricted.

Early receipt of funding for Free School Meals and rates relief which are funding for the 2020/21 academy year have been shown as deferred income totalling £71,458

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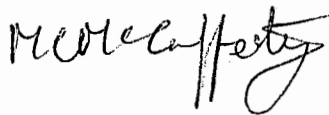
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on *16/12/20* and signed on its behalf by:



M C McCafferty

MOTHER TERESA CATHOLIC ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
M C McCafferty, Parent Trustee	5	5
P J Suntah	0	0
D A Crutchley (nee McNeill), Foundation Governor	5	5
Father A Glaysher, Foundation Governor	3	5
S P Greze, Parent Trustee Foundation Governor	5	5
S Harris, Foundation Governor	4	5
W James, Executive Principal and Accounting Officer	5	5
D Kenny, Foundation Governor	5	5
P Keogh, Foundation Governor	5	5
D Paterson, Foundation Governor	5	5
A Peirone, Foundation Governor	4	5
R Whittle, Foundation Governor	5	5
P Benton, Chair	4	5
P Alejandro	0	0
Rev P J Smith	0	0
R Fridge, Head Teacher	5	5

Dates for the financial year 01.09.19 to 31.08.20 were set in July 19. With a single school, the Trust has been satisfied that prudent monitoring oversight is maintained using a model of 3 termly meetings. The addition of a new school into the Trust has changed this. Moving forward, the Trust will meet 6 times a year. 2 times each in the autumn, spring and summer terms. This will be reassessed annually in the light of the new articles of association that will be adopted by faith based trusts in the future.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The directors have been effective in welcoming St Anne's School into the trust, the directors have been very effective in improving the education outcomes of the pupils at the school. In addition, St Anne's now has a sound financial platform on which to build further improvements. There has been a high level of engagement with parents and with their support provision continues to improve.

Delegated responsibility to local governing bodies has been very effective in developing both schools within the trust

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor and evaluate the provision of all aspects relating to finance at all levels. The committee has responsibility for finance issues relating to all of the Academy's accounts.

Attendance during the year at meetings was as follows (two meeting cancelled due to Covid):

Trustee	Meetings attended	Out of a possible
W James, Executive Principal	6	8
M C McCafferty, Chair	4	8
D Paterson	6	8
A Peirone	5	8
DA Crutchley, Head Teacher	6	8
R Fridge	2	8
J Westwood	6	8

Review of value for money

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

The accounting officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy has delivered improved value for money during the year through:

- Replacement of Playground equipment at St. Anne's Catholic Primary School
The quotes for these were gained by competitive tender
- Service Level Agreements
These were adopted after a process of considering alternatives to gain the best value for money.
- Lockdown System Quotes Obtained

Benchmarking

We use a range of benchmarking information including the DFC efficiency metric tool that ranks St Joseph's Catholic Primary School No. 1 on our benchmarking group comparing our spend per pupil against achievement. (Similar Data is not currently available for St. Anne's Catholic Primary School due to in year conversion).

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Mother Teresa Catholic Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and decided not to appoint an internal auditor. However, the Trustees have appointed Mrs Greze, a Trustee, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Academy's financial systems. This involves two internal audits each academic year reported to the trust's finance committee.

On an annual basis, the reviewer reports to the Board of Trustees through the finance and general purposes committee on the operation of the financial management arrangements in place. As such, providing an independent review of the Trust's financial affairs. The reviews were carried out by the Responsible Officer and relevant responsible staff members.

Due to COVID the designated responsible officer was unable to attend the school site to review the controls in place. The Executive Principal took on the responsibility of ensuring that controls were in place to his satisfaction. The trust has taken steps to secure a contract with an accounting firm to take on the role of Responsible Officer with remote access to our systems should face to face access not be available for the foreseeable future.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the Executive Principal 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 reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 16.12.20
on their behalf by:

and signed



M C McCafferty
Chair of Trustees



W James
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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


W James
Accounting Officer

Date: 16.12.20

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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:

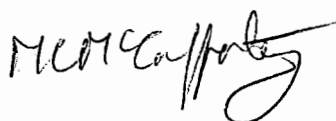
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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



M C McCafferty
Chair of Trustees

Date: 16.12.20

MOTHER TERESA CATHOLIC ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MOTHER TERESA CATHOLIC ACADEMY TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MOTHER TERESA CATHOLIC ACADEMY TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MOTHER TERESA CATHOLIC ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

M. Dickinson

Mark Dickinson (FCA) (Senior statutory auditor)
for and on behalf of
Wise & Co
Chartered Accountants and Statutory Auditors
Union Road

Farnham
Surrey
GU9 7PT

Date: *27/01/2021*

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MOTHER
TERESA CATHOLIC ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 25 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mother Teresa Catholic Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Mother Teresa Catholic Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Mother Teresa Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

Approach

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

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

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

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

As a firm we have taken the decisions to use the Mercia work programme for regularity assurance work as approved by the ICAEW. The work undertaken to draw our conclusions includes:

An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
Further testing and review of the areas identified through the risk assessment including enquiry;
identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

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

M. Dickinson

Mark Dickinson (FCA)
Wise & Co
Chartered Accountants and Statutory Auditors
Wey Court West
Union Road
Farnham
Surrey
GU9 7PT

Date: *27/01/2021*

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	3					
Transfers on conversion from local authority		138,156	(480,000)	22,313	(319,531)	-
Other donations and capital grants		107,265	31,139	-	138,404	145,262
Charitable activities	4	-	3,157,813	-	3,157,813	1,874,055
Teaching schools	29	88,209	263,740	-	351,949	199,959
Other trading activities		233,637	-	-	233,637	262,634
Investments	6	486	-	-	486	1,011
Total income		567,753	2,972,692	22,313	3,562,758	2,482,921
Expenditure on:						
Raising funds		-	-	-	-	1,931
Charitable activities		36,611	3,521,898	99,253	3,657,762	2,662,565
Teaching schools		-	332,089	-	332,089	192,108
Total expenditure		36,611	3,853,987	99,253	3,989,851	2,856,604
Net income/(expenditure)		531,142	(881,295)	(76,940)	(427,093)	(373,683)
Transfers between funds	18	(260,868)	139,453	121,415	-	-
Net movement in funds before other recognised gains/(losses)		270,274	(741,842)	44,475	(427,093)	(373,683)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(32,000)	-	(32,000)	(231,000)
Net movement in funds		270,274	(773,842)	44,475	(459,093)	(604,683)

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Reconciliation of funds:					
Total funds brought forward	75,779	(832,024)	202,872	(553,373)	51,310
Net movement in funds	270,274	(773,842)	44,475	(459,093)	(604,683)
Total funds carried forward	346,053	(1,605,866)	247,347	(1,012,466)	(553,373)

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 27 to 60 form part of these financial statements.

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07728054

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	247,347	202,872
Current assets			
Debtors	16	175,281	105,676
Cash at bank and in hand		484,421	763,096
		<u>659,702</u>	<u>868,772</u>
Creditors: amounts falling due within one year	17	<u>(306,514)</u>	<u>(771,017)</u>
Net current assets		353,188	97,755
Total assets less current liabilities		<u>600,535</u>	<u>300,627</u>
Net assets excluding pension liability		<u>600,535</u>	<u>300,627</u>
Defined benefit pension scheme liability	25	<u>(1,613,000)</u>	<u>(854,000)</u>
Total net assets		<u><u>(1,012,465)</u></u>	<u><u>(553,373)</u></u>

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07728054

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	247,347	202,872
Restricted income funds	18	7,135	21,976
Restricted funds excluding pension asset	18	<u>254,482</u>	<u>224,848</u>
Pension reserve	18	<u>(1,613,000)</u>	<u>(854,000)</u>
Total restricted funds	18	(1,358,518)	(629,152)
Unrestricted income funds	18	346,053	75,779
Total funds		<u><u>(1,012,465)</u></u>	<u><u>(553,373)</u></u>

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

The financial statements on pages 22 to 60 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



M C McCafferty
Chair of Trustees
Date: 16.12.20

The notes on pages 27 to 60 form part of these financial statements.

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	20	(187,592)	(304,493)
Cash flows from investing activities	21	(91,083)	103,607
Change in cash and cash equivalents in the year		(278,675)	(200,886)
Cash and cash equivalents at the beginning of the year		763,096	963,982
Cash and cash equivalents at the end of the year	22, 23	<u>484,421</u>	<u>763,096</u>

The notes on pages 27 to 60 form part of these financial statements

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

Donated services are measured at fair value, unless it is impractical to measure this reliably. The gain is recognised as income from donations and a corresponding amount is included in the appropriate expenditure category. The academy has not recognised a cost for the rent-free use of premises granted under licence by the Diocese, as the Trustees do not believe that the rental value can be reliably determined.

• **Expenditure on raising funds**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £200 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

Depreciation is provided on the following bases:

Furniture and equipment	- 4 Years Straight Line
Motor vehicles	- 4 Years Straight Line
3G Pitch	- 10 Years Straight Line

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.10 Liabilities

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

1.11 Provisions

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

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

1.12 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.13 Operating leases

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

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

1.15 Fund accounting

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

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

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

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

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	107,265	1,293	-	108,558	18,350
Capital grants DfE/ESFA	-	29,846	-	29,846	126,912
Transfer on conversion from local authority	138,156	(480,000)	22,313	(319,531)	-
Total 2020	245,421	(448,861)	22,313	(181,127)	145,262
<i>Total 2019</i>	<i>16,286</i>	<i>128,976</i>	<i>-</i>	<i>145,262</i>	

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

4. Funding for the Academy Trust's educational operations

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	2,553,178	2,553,178	1,646,654
Other DfE ESFA grants	418,648	418,648	118,149
Pupil Premium	84,690	84,690	61,717
	<u>3,056,516</u>	<u>3,056,516</u>	<u>1,826,520</u>
Local authority grants			
Special educational needs	65,316	65,316	47,535
Exceptional Government grants			
Coronavirus exceptional support	35,981	35,981	-
Total 2020	<u><u>3,157,813</u></u>	<u><u>3,157,813</u></u>	<u><u>1,874,055</u></u>
<i>Total 2019</i>	<u><u>1,874,055</u></u>	<u><u>1,874,055</u></u>	

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

- The funding received for coronavirus exceptional support covers £8,266 of utilities and cleaning products costs. These costs are included in notes 7 and 9 below as appropriate.

- The academy did not furlough any of its staff during COVID Lockdown period. The academy received additional funding of £27,715 for staff costs for those staff members who worked on the premises during the Easter and half term holidays. The associated costs are included in Note 9 below.

MOTHER TERESA CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Catering income	66,153	66,153	72,197
Hire of facilities	79,967	79,967	88,003
School trips and similar income	33,002	33,002	59,691
Other income	54,515	54,515	42,743
	<u>233,637</u>	<u>233,637</u>	<u>262,634</u>
<i>Total 2019</i>	<u>262,634</u>	<u>262,634</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Interest receivable	486	486	1,011
	<u>1,011</u>	<u>1,011</u>	
<i>Total 2019</i>	<u>1,011</u>	<u>1,011</u>	

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7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	<i>Total 2019 £</i>
Expenditure on fundraising trading activities:					
Direct costs	-	-	-	-	1,931
Educational operations:					
Direct costs	2,245,474	-	251,968	2,497,442	1,691,406
Allocated support costs	614,989	55,692	488,324	1,159,005	967,344
Teaching school	111,662	-	220,427	332,089	192,108
	<u>2,972,125</u>	<u>55,692</u>	<u>960,719</u>	<u>3,988,536</u>	<u>2,852,789</u>
<i>Total 2019</i>	<u><u>2,007,199</u></u>	<u><u>156,748</u></u>	<u><u>688,842</u></u>	<u><u>2,852,789</u></u>	

8. Analysis of grants

	Grants to Institutions 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Charitable donations	1,314	1,314	3,815
	<u>1,314</u>	<u>1,314</u>	<u>3,815</u>
<i>Total 2019</i>	<u><u>3,815</u></u>	<u><u>3,815</u></u>	

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9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	2,497,442	1,314	1,159,005	3,657,761	2,662,565
<i>Total 2019</i>	<u>1,691,406</u>	<u>3,815</u>	<u>967,344</u>	<u>2,662,565</u>	

Analysis of direct costs

	Educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	2,245,474	2,245,474	1,448,535
Depreciation	99,253	99,253	103,855
Educational supplies	132,214	132,214	116,173
Educational consultancy	-	-	3,150
Staff development	14,505	14,505	13,207
Other direct costs	5,996	5,996	6,486
	<u>2,497,442</u>	<u>2,497,442</u>	<u>1,691,406</u>
<i>Total 2019</i>	<u>1,691,406</u>	<u>1,691,406</u>	

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FOR THE YEAR ENDED 31 AUGUST 2020

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Pension finance costs	23,000	23,000	10,000
Staff costs	614,989	614,989	482,212
Maintenance of premises and equipment	147,086	147,086	115,956
Catering	86,489	86,489	72,149
Premises costs	55,692	55,692	52,893
Security and transport	6,284	6,284	1,014
Bank charges and interest	250	250	491
Other support costs	179,397	179,397	117,039
Communication	6,706	6,706	5,016
Premises expansion	-	-	92,409
Governance costs	39,112	39,112	18,165
	<u>1,159,005</u>	<u>1,159,005</u>	<u>967,344</u>
<i>Total 2019</i>		<u>967,344</u>	<u>967,344</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	<i>2019 £</i>
Depreciation of tangible fixed assets	99,253	103,855
Fees paid to auditors for:		
- audit	17,995	8,275
- other services	9,159	9,890
	<u>99,253</u>	<u>103,855</u>

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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	2,124,692	1,435,705
Social security costs	181,934	123,962
Pension costs	655,201	441,232
	<u>2,961,827</u>	<u>2,000,899</u>
Agency staff costs	10,299	3,150
	<u><u>2,972,126</u></u>	<u><u>2,004,049</u></u>

b. Staff numbers

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

	2020 No.	2019 No.
Teaching Staff	34	21
Support and administration	73	52
Management	2	3
	<u>109</u>	<u>76</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teaching Staff	30	19
Support and administration	41	28
Management	2	3
	<u>73</u>	<u>50</u>

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff (continued)

c. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

Two of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2020 pension contributions totalled £44,249 (2019: £29,478). The other employee participated in the Local Government Pension Scheme and during the year ended 31 August 2020 pension contributions totalled £10,862 (2019: nil).

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £762,002 (2019 £464,793).

12. Central services

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

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

13. 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 principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

	2020	2019
	£	£
W James, Executive Principal and Accounting Officer (resigned as Trustee 1 September 2020)	110,000 - 115,000	100,000 - 105,000
Pension contributions paid	25,000 - 30,000	15,000 - 20,000
D A Crutchley, Head Teacher (resigned as Trustee 1 September 2020)	80,000 - 85,000	70,000 - 75,000
Pension contributions paid	15,000 - 20,000	10,000 - 15,000
D Flynn, Staff Trustee (resigned 1 May 2019)	Remuneration	5,000 - 10,000
Pension contributions paid		0 - 5,000
R Whittle, Staff Trustee (resigned as Trustee 1 September 2020)	10,000 - 15,000	10,000 - 15,000
Pension contributions paid	0 - 5,000	0 - 5,000

During the year ended 31 August 2020, no expenses were reimbursed or paid directly to Trustees (2019 - £200 to Trustees).

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the insurance scheme.

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15. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Motor vehicles £	3G Pitch £	Total £
Cost or valuation					
At 1 September 2019	-	655,823	18,685	194,883	869,391
Additions	-	121,415	-	-	121,415
Acquired on conversion	11,700	10,613	-	-	22,313
At 31 August 2020	<u>11,700</u>	<u>787,851</u>	<u>18,685</u>	<u>194,883</u>	<u>1,013,119</u>
Depreciation					
At 1 September 2019	-	532,163	18,685	115,671	666,519
Charge for the year	-	79,765	-	19,488	99,253
At 31 August 2020	<u>-</u>	<u>611,928</u>	<u>18,685</u>	<u>135,159</u>	<u>765,772</u>
Net book value					
At 31 August 2020	<u><u>11,700</u></u>	<u><u>175,923</u></u>	<u><u>-</u></u>	<u><u>59,724</u></u>	<u><u>247,347</u></u>
At 31 August 2019	<u><u>-</u></u>	<u><u>123,660</u></u>	<u><u>-</u></u>	<u><u>79,212</u></u>	<u><u>202,872</u></u>

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15. Tangible fixed assets (continued)

On 1 September 2011 St. Joseph's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Mother Teresa Catholic Academy Trust from the Portsmouth Roman Catholic Diocesan Trustees for £nil consideration. In accordance with the terms of the lease with the Catholic Diocese of Portsmouth, the academy pays an annual peppercorn rent.

The Portsmouth Diocese owns the freehold of the school land and buildings. The Academy occupies the site under a licence. The Supplemental Agreement includes the right for the Portsmouth Diocesan Trustees to give not less than 2 years' written notice to the Academy and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

On 1 October 2019 St Anne's Catholic Primary School converted to academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities, with the exception of the school playing fields, were transferred to The Mother Teresa Catholic Academy Trust from the Portsmouth Roman Catholic Diocesan Trustees for £nil consideration. In accordance with the terms of the lease with the Catholic Diocese of Portsmouth, the academy pays an annual peppercorn rent.

The Portsmouth Diocese owns the freehold of these school land and buildings. The Academy occupies the site under a licence. The Supplemental Agreement includes the right for the Portsmouth Diocesan Trustees to give not less than 2 years' written notice to the Academy and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

The school playing fields are held under a 125-lease agreement with Hampshire County Council commencing 1 October 2019; in accordance with the lease the academy pays a peppercorn rent.

16. Debtors

	2020	2019
	£	£
Due within one year		
Trade debtors	29,353	-
Other debtors	86,781	59,928
Prepayments and accrued income	59,147	45,748
	<u>175,281</u>	<u>105,676</u>

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17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	102,386	18,769
Other taxation and social security	42,483	30,633
Other creditors	11,056	8,702
Accruals and deferred income	150,589	712,913
	<u>306,514</u>	<u>771,017</u>
	2020 £	2019 £
Deferred income at 1 September 2019	684,664	780,568
Resources deferred during the year	71,458	47,483
Amounts released from previous periods	(684,664)	(143,387)
Deferred income at 31 August 2019	<u>71,458</u>	<u>684,664</u>

Included in deferred income is £61,628 relating to Universal Infant Free School Meals for 2020/21 (2019: £42,954), £9,830 related to rates relief funding (2019: £nil), £nil relating to school trips in 2020/21 (2019: £18,530) and £nil relating to the expansion funding (2019: £623,180).

MOTHER TERESA CATHOLIC ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	-	479,544	(36,611)	(220,039)	-	222,894
Teaching school	75,779	88,209	-	(40,829)	-	123,159
	<u>75,779</u>	<u>567,753</u>	<u>(36,611)</u>	<u>(260,868)</u>	<u>-</u>	<u>346,053</u>
Restricted general funds						
General Annual Grant (GAG)	-	2,553,178	(2,651,802)	98,624	-	-
Pupil Premium	-	84,690	(84,690)	-	-	-
Other Dfe grants	-	418,648	(411,513)	-	-	7,135
Teaching School	12,520	263,740	(317,089)	40,829	-	-
Other restricted income	-	1,293	(1,293)	-	-	-
Other local authority grants	-	65,316	(65,316)	-	-	-
Other DfE grants capital	9,456	29,846	(39,302)	-	-	-
Coronavirus exceptional support	-	35,981	(35,981)	-	-	-
Pension reserve	(854,000)	(480,000)	(247,000)	-	(32,000)	(1,613,000)
	<u>(832,024)</u>	<u>2,972,692</u>	<u>(3,853,986)</u>	<u>139,453</u>	<u>(32,000)</u>	<u>(1,605,865)</u>
Restricted fixed asset funds						
3G Football Pitch	79,212	-	(19,488)	-	-	59,724
Other capital funding	123,660	-	(77,332)	121,415	-	167,743
Inherited assets on conversion	-	22,313	(2,433)	-	-	19,880

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18. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
	202,872	22,313	(99,253)	121,415	-	247,347
Total Restricted funds	(629,152)	2,995,005	(3,953,239)	260,868	(32,000)	(1,358,518)
Total funds	(553,373)	3,562,758	(3,989,850)	-	(32,000)	(1,012,465)

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

General Annual Grant

These funds must be used for the normal running of the Academy.

Pupil Premium

These funds relate to the restricted pupil premium income received for the purposes of supporting children who have been eligible for free school meals at any point in the last six years. The relevant expenditure is recorded through this fund.

Other Incoming Resources

These funds relate to grants utilised for the purpose intended and include ESFA grant funding for educational operations such as Newly Qualified Teacher funding, Capital and General Insurance funding.

3G Football Pitch

These funds met the planned costs of the new football pitch

Other capital funding

These funds relate to the restricted expansion funding grants and devolved formula capital grant, where the grants have been spent on items of a capital nature.

Teaching School

St Joseph's Catholic Primary School (Mother Teresa Catholic Academy Trust) became the lead school for the Catholic Teaching Schools Alliance on 1 April 2013. Since then the teaching school has built up the number of associated schools in the partnership.

Pension Reserve

These funds reflect the deficit in the Local Government Pension Scheme.

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18. Statement of funds (continued)

Transfers

Transfers have been made from unrestricted funds to cover the £98,624 overspend on GAG and to fund £121,415 of capital additions during the year. Costs of £40,829 in the Teaching School were covered by unrestricted, self-generated income and a transfer has been included to reflect this.

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

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18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
St Joseph's Catholic Primary School	94,291	97,755
St Anne's Catholic Primary School	179,883	-
Central services	79,014	-
Total before fixed asset funds and pension reserve	353,188	97,755
Restricted fixed asset fund	247,347	202,872
Pension reserve	(1,613,000)	(854,000)
Total	(1,012,465)	(553,373)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
St Joseph's Catholic Primary School	1,573,374	418,793	89,678	534,905	2,616,750	2,752,750
St Anne's Catholic Primary School	672,101	83,858	37,906	181,996	975,861	-
Central services	-	-	4,630	46,357	50,987	-
Academy Trust	2,245,475	502,651	132,214	763,258	3,643,598	2,752,750

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
Unrestricted funds						
General Funds - all funds	58,824	279,931	(82,206)	(256,549)	-	-
Teaching school	-	88,149	(10,000)	(2,370)	-	75,779
	<u>58,824</u>	<u>368,080</u>	<u>(92,206)</u>	<u>(258,919)</u>	<u>-</u>	<u>75,779</u>
Restricted general funds						
General Annual Grant (GAG)	-	1,646,654	(1,907,514)	260,860	-	-
Pupil Premium	-	61,717	(61,717)	-	-	-
Other Dfe grants	-	118,149	(118,149)	-	-	-
Teaching School - Activities for Generating Funds	86,977	-	-	(86,977)	-	-
Teaching School	82,818	111,810	(182,108)	-	-	12,520
Other restricted income	-	2,064	(2,064)	-	-	-
Other local authority grants	-	47,535	(47,535)	-	-	-
Other DfE grants capital	-	126,912	(117,456)	-	-	9,456
Pension reserve	(399,000)	-	(224,000)	-	(231,000)	(854,000)
	<u>(229,205)</u>	<u>2,114,841</u>	<u>(2,660,543)</u>	<u>173,883</u>	<u>(231,000)</u>	<u>(832,024)</u>
Restricted fixed asset funds						
3G Football Pitch	98,495	-	(19,488)	205	-	79,212

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18. Statement of funds (continued)

	<i>Balance at 1 September 2018</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 August 2019</i> £
Other capital funding	123,196	-	(84,367)	84,831	-	123,660
	<u>221,691</u>	<u>-</u>	<u>(103,855)</u>	<u>85,036</u>	<u>-</u>	<u>202,872</u>
Total Restricted funds	<u>(7,514)</u>	<u>2,114,841</u>	<u>(2,764,398)</u>	<u>258,919</u>	<u>(231,000)</u>	<u>(629,152)</u>
Total funds	<u><u>51,310</u></u>	<u><u>2,482,921</u></u>	<u><u>(2,856,604)</u></u>	<u><u>-</u></u>	<u><u>(231,000)</u></u>	<u><u>(553,373)</u></u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestrict ed funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	247,347	247,347
Current assets	346,053	313,649	-	659,702
Creditors due within one year	-	(306,514)	-	(306,514)
Provisions for liabilities and charges	-	(1,613,000)	-	(1,613,000)
Total	<u><u>346,053</u></u>	<u><u>(1,605,865)</u></u>	<u><u>247,347</u></u>	<u><u>(1,012,465)</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	202,872	202,872
Current assets	94,309	774,463	-	868,772
Creditors due within one year	(18,530)	(752,487)	-	(771,017)
Provisions for liabilities and charges	-	(854,000)	-	(854,000)
Total	75,779	(832,024)	202,872	(553,373)

20. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(427,093)	(373,683)
Adjustments for:		
Depreciation	99,253	103,855
Capital grants from DfE and other capital income	(29,846)	(126,912)
Interest receivable	(486)	(1,011)
Defined benefit pension scheme obligation inherited	480,000	-
Defined benefit pension scheme cost less contributions payable	224,000	214,000
Defined benefit pension scheme finance cost	23,000	10,000
Decrease/(increase) in debtors	(69,605)	(43,181)
Increase/(decrease) in creditors	(464,502)	(87,561)
Assets inherited on conversion	(22,313)	-
Net cash used in operating activities	(187,592)	(304,493)

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NOTES TO THE FINANCIAL STATEMENTS
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21. Cash flows from investing activities

	2020	2019
	£	£
Dividends, interest and rents from investments	486	1,011
Purchase of tangible fixed assets	(121,415)	(24,316)
Capital grants from DfE Group	29,846	126,912
Net cash (used in)/provided by investing activities	(91,083)	103,607

22. Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash in hand	484,421	763,096
Total cash and cash equivalents	484,421	763,096

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	763,096	(278,675)	484,421
	763,096	(278,675)	484,421

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24. Conversion to an academy trust

On 1 October 2019 St Anne's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Mother Teresa Catholic Academy Trust from Hampshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net loss in the Statement of financial activities as Expenditure on Charitable activities - transfer from local authority on conversion.

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

	Unrestrict ed funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Other tangible fixed assets	-	-	22,313	22,313
Current assets				
Cash - representing budget surplus on LA funds	138,156	-	-	138,156
Other provisions				
LGPS pension deficit	-	(480,000)	-	(480,000)
Net assets/(liabilities)	<u>138,156</u>	<u>(480,000)</u>	<u>22,313</u>	<u>(319,531)</u>

25. Pension commitments

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 Hampshire County Council. Both are multi-employer defined benefit schemes.

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

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

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25. Pension commitments (continued)

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both the member and 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 employer's pension costs paid to TPS in the year amounted to £166,000 (2019 - £137,952).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £182,333 (2019 - £114,328), of which employer's contributions totalled £135,675 (2019 - £81,360) and employees' contributions totalled £ 46,657 (2019 - £32,968). The agreed contribution rates for future years are 16.1 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note 24 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.3	3.6
Rate of increase for pensions in payment/inflation	2.3	2.1
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.3	2.1

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	23	23.1
Females	25.5	25.8
<i>Retiring in 20 years</i>		
Males	24.7	24.7
Females	27.2	27.6

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25. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(79)	(40)
Discount rate -0.1%	82	40
Mortality assumption - 1 year increase	(115)	(61)
Mortality assumption - 1 year decrease	119	61
CPI rate +0.1%	76	26
CPI rate -0.1%	(72)	(26)
Salary rate +0.1%	7	-
Salary rate - 0.1%	(7)	-

Share of scheme assets

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

	2020 £	2019 £
Equities	953,000	581,000
Property	101,000	69,000
Cash	27,000	18,000
Other	274,000	97,000
Government bonds	326,000	198,000
Total market value of assets	1,681,000	963,000

The actual return on scheme assets was £131,000 (2019 - £50,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(390,000)	(231,000)
Past service cost	-	(102,000)
Interest income	28,000	23,000
Interest cost	(51,000)	(33,000)
Total amount recognised in the Statement of financial activities	(413,000)	(343,000)

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25. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	1,817,000	1,160,000
Conversion of academy trusts	967,000	-
Current service cost	390,000	231,000
Interest cost	51,000	33,000
Employee contributions	50,000	43,000
Actuarial losses	135,000	258,000
Benefits paid	(116,000)	(10,000)
Past service costs	-	102,000
	<u>3,294,000</u>	<u>1,817,000</u>

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

	2020 £	2019 £
At 1 September	963,000	761,000
Conversion of academy trusts	487,000	-
Interest income	28,000	23,000
Actuarial gains	103,000	27,000
Employer contributions	166,000	119,000
Employee contributions	50,000	43,000
Benefits paid	(116,000)	(10,000)
	<u>1,681,000</u>	<u>963,000</u>

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FOR THE YEAR ENDED 31 AUGUST 2020

26. Operating lease commitments

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

	2020 £	2019 £
Amounts payable		
Not later than 1 year	10,604	4,090
Later than 1 year and not later than 5 years	8,835	394
	<u>19,439</u>	<u>4,484</u>

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.

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NOTES TO THE FINANCIAL STATEMENTS
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28. Related party transactions

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

The Academy operates from land and buildings provided rent free by the Diocese of Portsmouth. Under an agreement between the Diocese, the Academy and the Secretary of State the Diocese would be required to give 24 months' notice from the year end if it wished to terminate this agreement. No such notice has been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further 36 months from the year end. The Trustees do not have a reliable estimate for the cost of renting the equivalent buildings and have therefore excluded any rental cost or donation in kind in these financial statements.

The following transactions took place in the period:

During the year the school received £1,675 (2019: £3,350) from Ofsted and paid £1,675 (2019: £3,350) to D Crutchley for services provided to generate this income. These transactions were non-profit transactions and the school was merely acting as an agent.

During the year, payments were made to Curiosa Consulting Ltd, a company owned by A Kenny, a spouse of one of the trustees. These payments totalled £1,800 (2019: £5,400). A further payment of £nil (2019: £200) was made to Curiosa Consulting Ltd for services provided by D Kenny, a trustee. Payments totalling £nil (2019: £7,500) were paid to A Kenny through the academy's payroll.

During the year, payments were made to Magna Groups Enterprises Ltd, a company owned by P Suntah. These payments totalled £4,465 (2019: nil).

St Joseph's Child Care Group has directors in common with Mother Teresa Catholic Academy Trust. During the year, the academy received management fees and rental income of £57,000 (2019: £63,000) from St Joseph's Child Care Group. The academy also received £15,000 (2019: £25,170) as a share of profits from the St Joseph's Child Care Group and an additional donation of £100,000 (2019: nil)

The following connected parties were employed by the Academy trust:

C Keogh, the wife of Trustee P Keogh
A Kenny, the wife of Trustee D Kenny

Their appointments were made in open competition and their family members were not involved in the decision making process regarding their appointment. These staff are paid within the normal pay scales for their roles and receive no special treatment as a result of their relationships to Trustees.

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29. Teaching school trading account

	2020 £	2020 £	2019 £	2019 £
Income				
Direct income				
Grant income	263,740		111,810	
Generated income	88,209		88,149	
Total direct income	<u>351,949</u>		<u>199,959</u>	
Total income		351,949		199,959
Expenditure				
Direct expenditure				
Direct staff costs	111,662		73,302	
Training	205,427		78,849	
Admin expenses	15,000		39,957	
Total direct expenditure	<u>332,089</u>		<u>192,108</u>	
Total expenditure		332,089		192,108
Transfers between funds excluding depreciation		-		(89,347)
Surplus/(deficit) from all sources		<u>19,860</u>		<u>(81,496)</u>
Teaching school balances at 1 September 2019		<u>88,299</u>		<u>169,795</u>
Teaching school balances at 31 August 2020		<u><u>108,159</u></u>		<u><u>88,299</u></u>

30. Legal status

The Academy is a charitable company, operating as an Academy Trust, incorporated in England and Wales.

Its registered office is Bridge Road, Aldershot, Hampshire, GU11 3DD.